



STATE HEALTH CARE EXPENDITURES

Experience from 2001

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Chairman

State Health Care Expenditures: Experience from 2001

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The development of the state health care expenditure analysis would not have been possible without the significant contributions of our consultants. This year was a particularly ambitious effort as the report was redesigned, methodologies were revised, and data sources were expanded to include more extensive use of the Medical Care Data Base. This project was under the direction of Dr. Deborah Chollet, Mathematica Policy Research, Dr. Dean Farley, Healthcare Software Synergies, Inc. and Sophie Nemirovsky, of Social and Scientific Systems (SSS). Dr. Eric Schone of Mathematica Policy Research developed the estimation algorithms for private sector spending and Dr. Chris Hogan of Direct Research, LLP independently validated spending estimates for physician and other professional services. Nancy Allen, Thomas Bell, Chris Brady, Po-Lun Chou and Adrien Ndikumwami of SSS had responsibility for important analytic and technical activities during the SHEA development. Julie Kale-Jones and Lynn Clay of SSS managed the numerous documents associated with the project and assisted in the preparation of the report.

Summary

This report, *State Health Care Expenditures: Experience from 2001*, contains information on total expenditures for the state by public and private sources, as well as more specific information on expenditures for the major regions of the state. In releasing this report, the Commission meets its mandate to report annually on the state's total reimbursement for health care services in accordance with health care reform legislation passed in 1993.

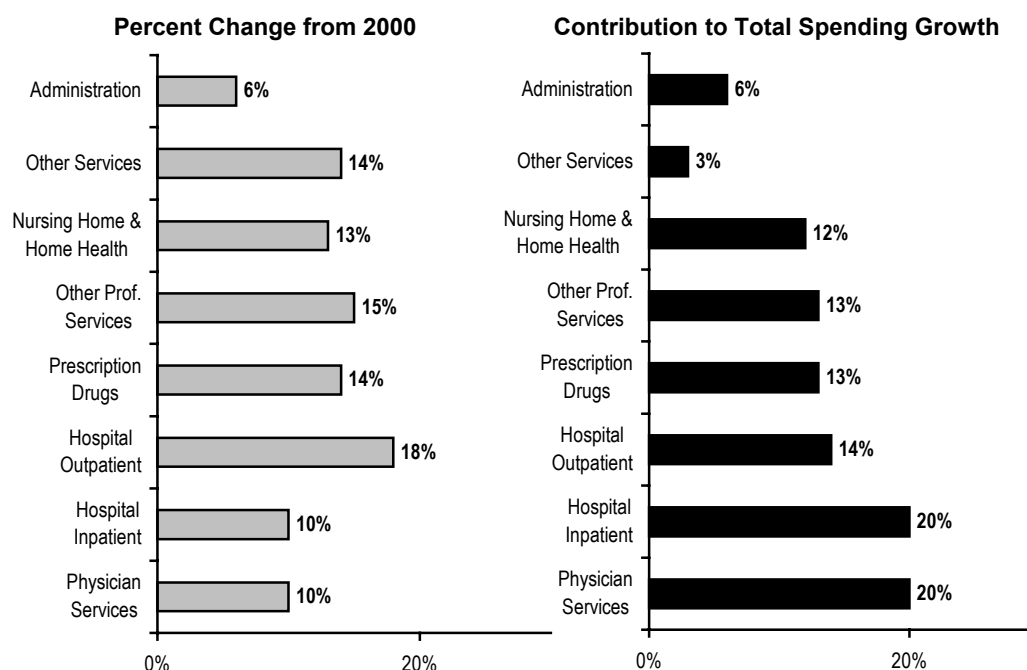
Total health care spending for Maryland residents increased to \$21.0 billion from \$18.8 billion in 2000. The 12 percent rate of growth in 2001 was the most rapid since MHCC began estimating expenditures in 1994. Over the past three years, rates of growth have accelerated from 5 percent in 1999 to 8 percent in 2000 to 12 percent in 2001.¹ These growth rates parallel, but exceed, the national rates that grew from 6 percent in 1999, climbed to 7 percent in 2000 and jumped to 10 percent in 2001. Per capita in state spending, which measure spending change after absolute population increases have been removed, grew at a rate of 10 percent compared to the national increase of about 9 percent. The growth rate for health care spending in 2001, when viewed in conjunction with the increases MHCC reported the previous 2 years, confirms that the forces credited with slowing growth in the mid-1990s have run out of steam.

Hospital and professional services each account for about one third of total health care spending. Spending on hospital care, including inpatient and the rapidly growing outpatient service sector, totaled \$7.2 billion in 2001 with outpatient hospital care absorbing \$2.1 billion of that total. Spending on professional health care services now totals \$5.0 billion for physician care and \$2.1 billion for other professional services. Prescription drugs and nursing home/home health care each account for about 11 percent of health care spending. Third party payer expenses associated with plan administration and the net cost of insurance account for about 7 percent of health care spending.

The overall increase in health care expenditure of \$2.3 billion is the result of rapid increases in spending across all types of health care services. Hospital outpatient services (18 percent), non-physician professional services (15 percent), and prescription drugs (14 percent) had the most rapid growth in spending. These three sectors

¹ Previous estimates are contained in *State Health Care Expenditures: Experience from 2000* and *State Health Care Expenditures: Experience from 1999*.

accounted for about 40 percent of the overall growth. The prescription drug increase is on top of a 22 percent jump in 1999 and an 11 percent rise in 2000. Because the size of service sectors varies greatly, rapid growth rates alone do not fully explain the overall spending increase in 2001. The important, but slower growing physician and hospital inpatient care sectors which increased at a rate of 10 percent, accounted for 40 percent of added health care spending in 2001.



The trend toward greater public financing of health care continued in 2001. Medicare and Medicaid expenditures grew faster than spending by either private insurers or consumers in Maryland. Medicare, the largest single insurer in the state, spent 13 percent more in 2001 than in 2000, as did Medicaid. These programs combined account for about the same share of total spending as all private third party coverage (39 percent) including commercial and non-profit insurers, health maintenance organizations (HMOs) and self-insured employer plans. Expenditures covered by these private third party payers grew by 11 percent. Consumer spending out of pocket, consisting of copayments, deductibles and full direct payments, increased by 12 percent. Maryland private third party and consumer spending increases are significantly higher than the 8 percent rate of growth in private sector spending reported by CMS.

More rapid growth in consumer out-of-pocket spending underscores employers and other purchasers cost containment strategies that aim to slow the rate of increase in premiums by shifting costs to consumers through higher copayments and deductibles. Out-of-pocket spending increases for prescription drugs (15 percent) and non-physician

professional services (14 percent) were above the rate of growth for total consumer spending and exceeded the rates of increase that private third party payers experienced in these sectors. These jumps occurred in sectors where consumer spending already accounts for one-third or more of payment.

The steady retreat from HMOs continued in 2001; only about 35 percent of the insured population was enrolled in HMOs, down from 40 percent in 2000. Despite the recent rapid growth in spending, neither purchasers nor consumers appear ready to embrace the managed care solutions that slowed health care spending a decade ago. Medicare beneficiaries exited the Medicare+Choice program in droves during 2001, after all but two managed care organizations (MCOs) dropped participation. The 9 percent decline in private sector HMO enrollment in 2001 follows two years of smaller enrollment declines. Only the Medicaid's HealthChoice program experienced a small jump in enrollment due to a modest expansion in the eligibility criteria. Although enrollment fell in 2001, HMO products saw costs grow rapidly for their remaining patients. Per capita spending in HMOs climbed by 11 percent across all government and private payers compared to the 3 percent increase for non-HMOs.

All five Maryland regions (National Capital Area, Baltimore Metro, Western Maryland, Southern Maryland, and the Eastern Shore) experienced significant increases in health care spending. Per capita spending grew fastest on the Eastern Shore (15 percent), closely followed by Southern Maryland (13 percent) and Western Maryland (12 percent). The rate of growth in per capita spending in the more urban National Capital Area and Baltimore Metro regions was around 10 percent. Despite experiencing the slowest growth in spending, the Baltimore Metro region continues to have the highest per capita spending (\$4,252), about 9 percent above the state per capita of \$3,908. The Eastern Shore is the only other region that had a per capita spending level (\$3,972) above the state per capita. Demographics and health status, payer mix, input costs, provider practice patterns, and consumer preferences are important factors in determining the level of health care spending. Future MHCC studies will examine these regional variations in greater detail.

State Health Care Expenditures

This report provides information about the level and patterns of health care expenditures by Maryland residents in 2001 and how they differ from 2000. It was developed to meet the requirement under Health-General Article, §19-134(g), which directs the Maryland Health Care Commission (MHCC) to report annually on total payments in the state for health care services. A basic mission of the Commission is disseminating information for monitoring how the health care market in Maryland functions; this information prominently includes the level and growth of health care spending. The estimates provided in this report will help users to understand not only how health care spending changed between 2000 and 2001, but how spending levels and rates of change differed among service categories and the various major payer groups in Maryland's health care system.

This year's report begins a new look and a new way of presenting this information. Responding to comments that MHCC elicited from payers, policymakers, and providers, this report is intended to convey the State Health Expenditure Accounts (SHEA) estimates in a highly accessible format and to facilitate its use as a reference document. During the year, MHCC intends to issue one or more additional SHEA Analysis reports that focus on the reasons for and implications of health spending patterns and changes in Maryland. By separating the presentation of the SHEA estimates ("How much does Maryland spend for health care?") from analysis ("Why does it spend that amount?") and providing more detailed analysis of major trends, MHCC hopes to address the information needs of the various stakeholders in Maryland's health care system more clearly and effectively.

HOW MUCH DID MARYLAND SPEND FOR HEALTH CARE?

In 2001, Maryland residents spent \$21.0 billion for health care services, approximately \$3,908 per person. These estimates of spending in Maryland represent significant increases over 2000. Total health care spending increased 11.8 percent in 2001 while per capita health care spending increased 10.5 percent. Nevertheless, Maryland residents still spent about 3 percent less than the projected U.S. average of \$4,045 in 2001.²

Figure 1: Total Health Care Expenditures in Maryland, 2000 and 2001 (\$ millions)

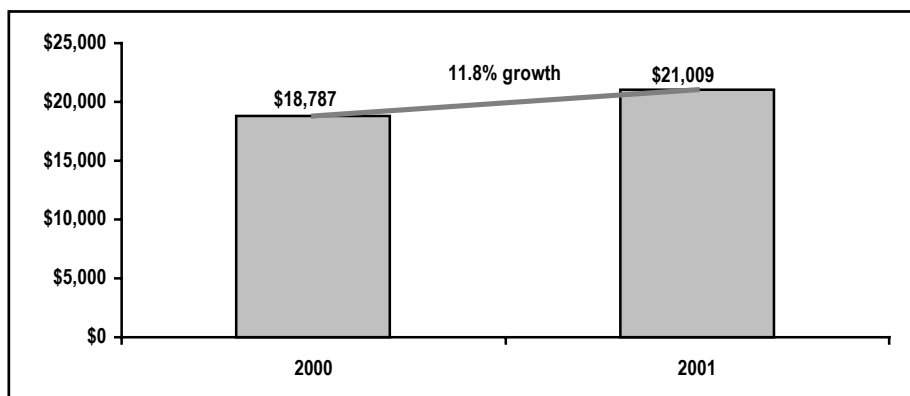
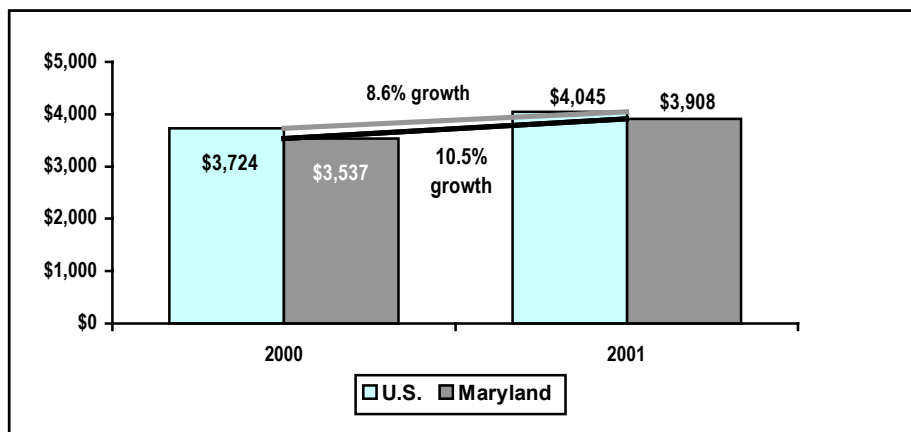


Figure 2: Per Capita Health Care Expenditures in Maryland and the U.S., 2000 and 2001



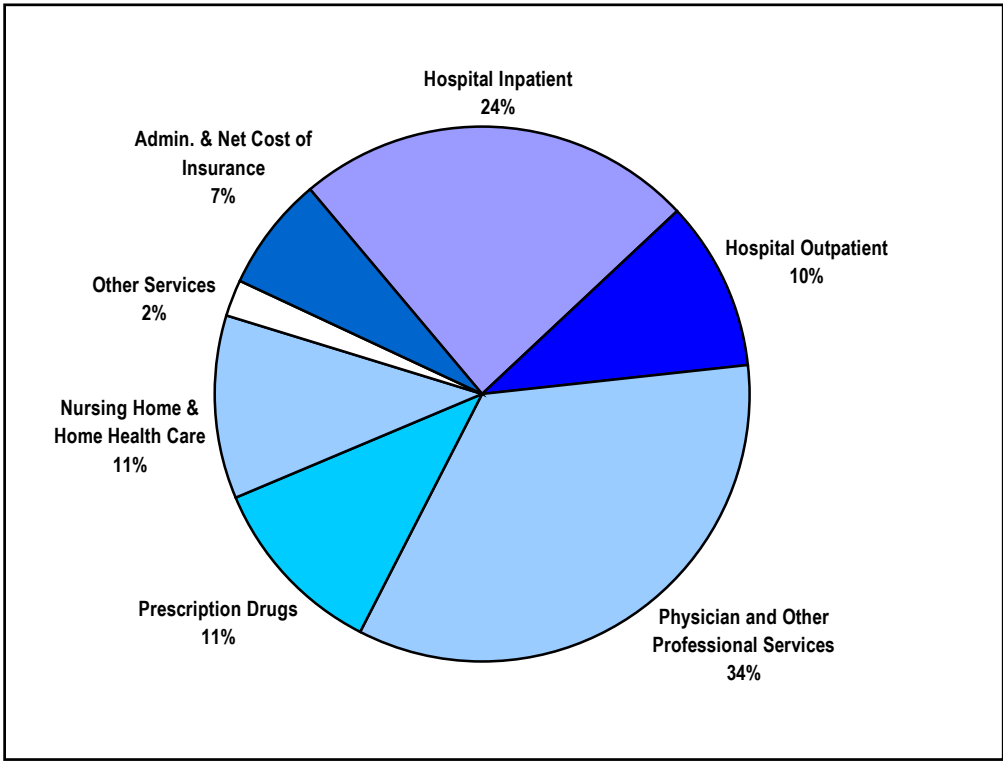
² All national health expenditure estimates and projections referred to in this report are developed by the Centers for Medicare and Medicaid Services, Office of the Actuary (<http://www.cmc.nhe/projections-2001/t5.asp>). To make the NHE figures comparable to the Maryland SHEA methodology, some payers and services are omitted from the NHE totals. (Continued on next page)

WHERE WERE MARYLAND’S HEALTH CARE DOLLARS SPENT?

Approximately one-third of Maryland’s health care dollars are spent on hospital care. In 2001, inpatient hospital care accounted for 24 percent of total health care spending; outpatient hospital care accounted for another 10 percent. Physician and other professional services accounted for 34 percent of the total. In total, Marylanders spent \$7.2 billion for hospital care, \$5.0 billion for physician services, and \$2.1 billion for other professional services.

Spending for prescription drugs in Maryland totaled nearly \$2.4 billion in 2001, which represents approximately 11 percent of total health care spending and is equal to total spending for nursing home and home health care combined. Administrative costs, including the net cost of health insurance, accounted for 7 percent of total health care spending in 2001.

Figure 3: Total Spending in Maryland by Type of Service, 2001



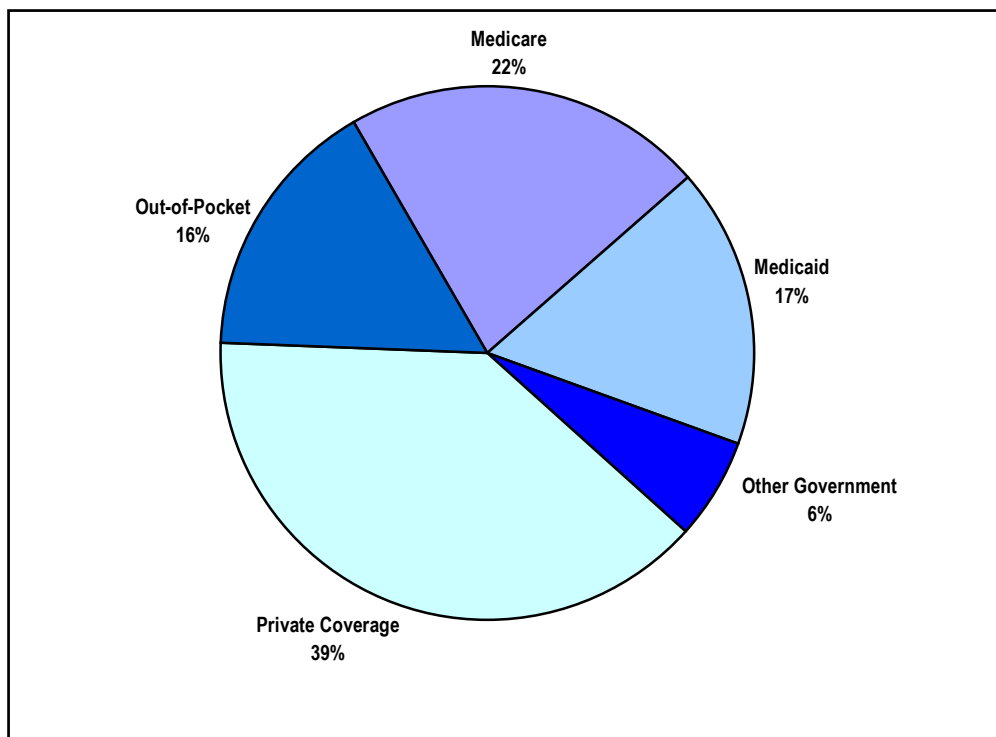
∴ (continued) Payers omitted from NHE: Private or federal “Other payers” are omitted, and “Other government” is limited to state & local government payors. Services omissions: “Other personal health care,” “government public health activities,” “Research,” and “Construction” are excluded entirely, and non-prescription drugs and medical sundries are omitted from the NHE category of “Medical non-durables.”

In general, the distribution of spending by service category in Maryland mirrors the national distribution. In 2001, Marylanders' relative spending among broad categories of hospital and professional care, long-term care, prescription drugs, and administration of insurance programs was nearly identical (within one percentage point per category) to the national average.

WHO PAID FOR MARYLAND'S HEALTH CARE?

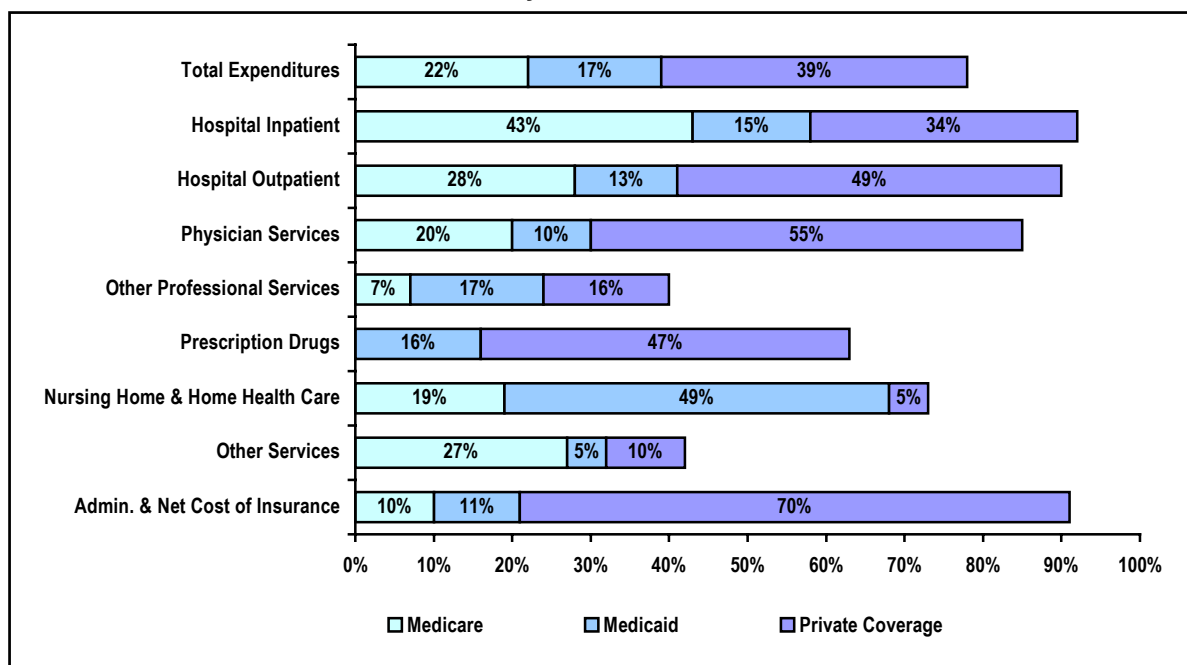
In 2001, government programs accounted for 45 percent of all health care expenditures in Maryland. Medicare – the federal program that finances care for the elderly and disabled – was the largest insurer of health care in Maryland, accounting for 22 percent of all health care expenditures. Medicaid – the state program that finances care for low-income Marylanders in certain eligibility categories – accounted for 17 percent of health care expenditures. Together, Medicare and Medicaid spent as much for health care as did all private coverage in Maryland combined, including commercial and nonprofit insurers, health maintenance organizations (HMOs), and self-insured employer plans.

Figure 4: Total Health Care Expenditures in Maryland by Source of Payment, 2001



The relative significance of different sources of payment in Maryland varies by type of service. Medicare is the state's largest insurer for inpatient hospital care, accounting for 43 percent of all inpatient expenditures in 2001, compared to 34 percent paid by private coverage. Medicaid was the predominant source of payment for nursing home care, paying for nearly half of all nursing home care in 2001. Private coverage was the largest source of payment for hospital outpatient care, physician care, and prescription drugs, accounting for 47 to 55 percent of all expenditures for those services in 2001. Private coverage was also the largest source of payer administrative cost: 70 percent of all insurer administrative cost in Maryland was related to private coverage.

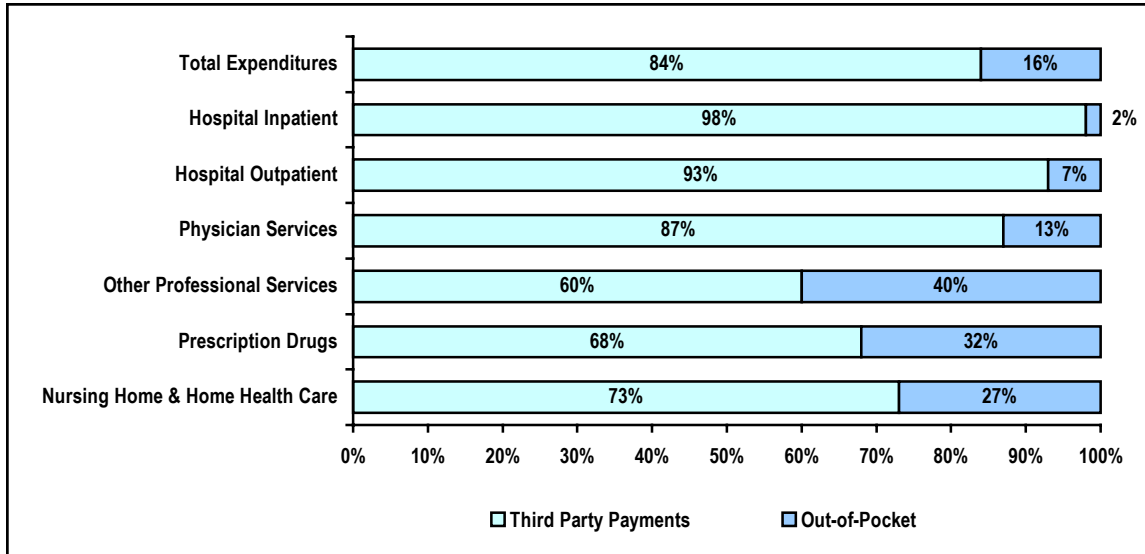
Figure 5: Percent of Expenditures for Major Types of Services by Third-Party Source of Payment, 2001



Note: Other Government and Out-of-Pocket Expenditures are excluded.

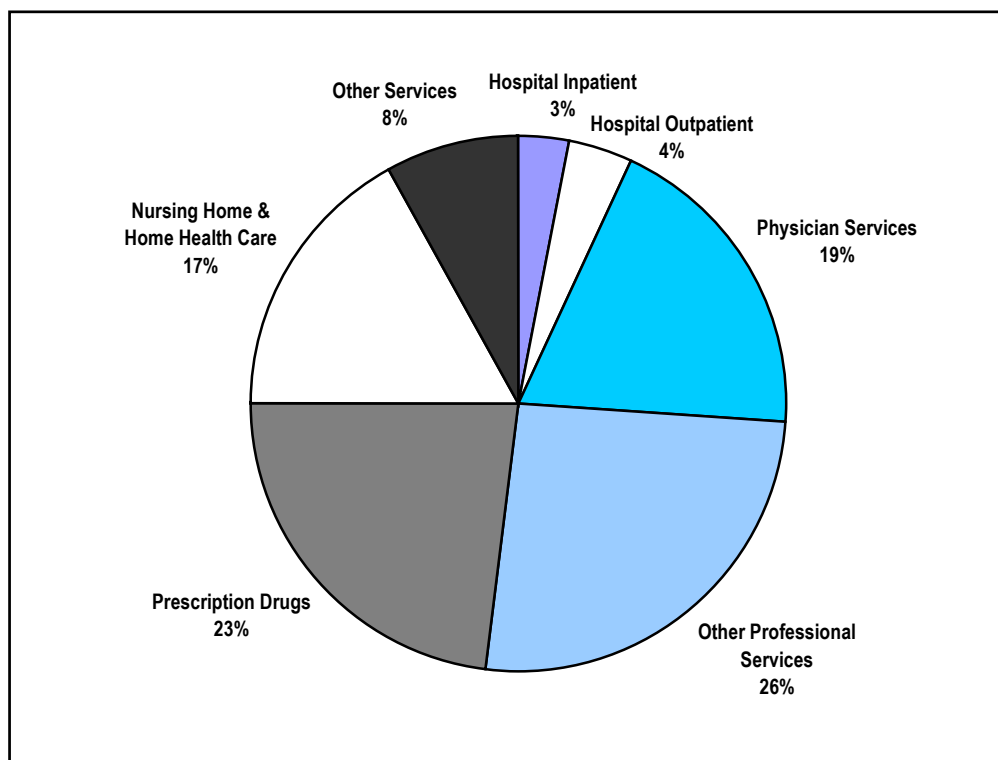
Reflecting broad participation in government programs and private insurance (and possibly also hospitals' propensity to forgive cost sharing as bad debt), Marylanders paid out-of-pocket just 2 percent of the costs of inpatient care and 7 percent of hospital outpatient care in 2001. However, for some types of services, Marylanders paid a much larger share of the cost out-of-pocket. Approximately 40 percent of expenditures for non-physician professional services (including dental, vision, and other professional services) were paid out-of-pocket in 2001, as were nearly one-third of expenditures for prescription drugs (32 percent) and nursing home care (27 percent). Across all types of services, Marylanders paid 16 percent of all expenditures out of pocket in 2001.

Figure 6: Percent of Expenditures Paid Out-of-Pocket by Type of Service, 2001



Out-of-pocket spending is allocated differently than overall health care spending because of the benefit structure of health insurance. Approximately 84 percent of out-of-pocket expenditures were associated with four service areas: physician services (19 percent), other professional services (26 percent), prescription drugs (23 percent), and nursing home and home health care (17 percent).

Figure 7: Out-of-Pocket Spending by Type of Service, 2001

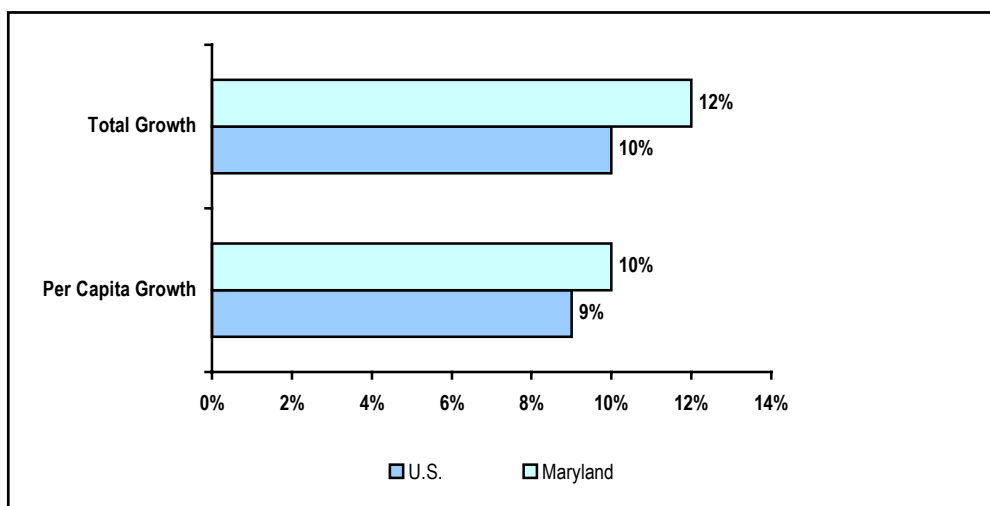


HOW MUCH DID HEALTH CARE EXPENDITURES GROW IN MARYLAND?

Total health care spending in Maryland grew nearly 12 percent in 2001, from a total of \$18.8 billion in 2000 to \$21.0 billion in 2001. This rate of growth compares to 10 percent for the United States as a whole. Maryland's faster growth of total health care expenditures was in part due to the state's faster rate of population growth, which slightly exceeded the U.S. average. However, Maryland's health care expenditures per capita also rose faster than the U.S. average – 10 percent in 2001, compared to the national average growth rate of 9 percent.

This growth in expenditures for health care continues an acceleration of expenditures in recent years, in general tracking (but exceeding) the acceleration of health care expenditures nationally. Maryland's 11.8 percent increase in 2001 compares to 8.4 percent in 2000 and 4.6 percent in 1999. National increases in health care spending (9.8 percent in 2001) accelerated from 7.2 percent growth in 2000 and 5.5 percent growth in 1999.

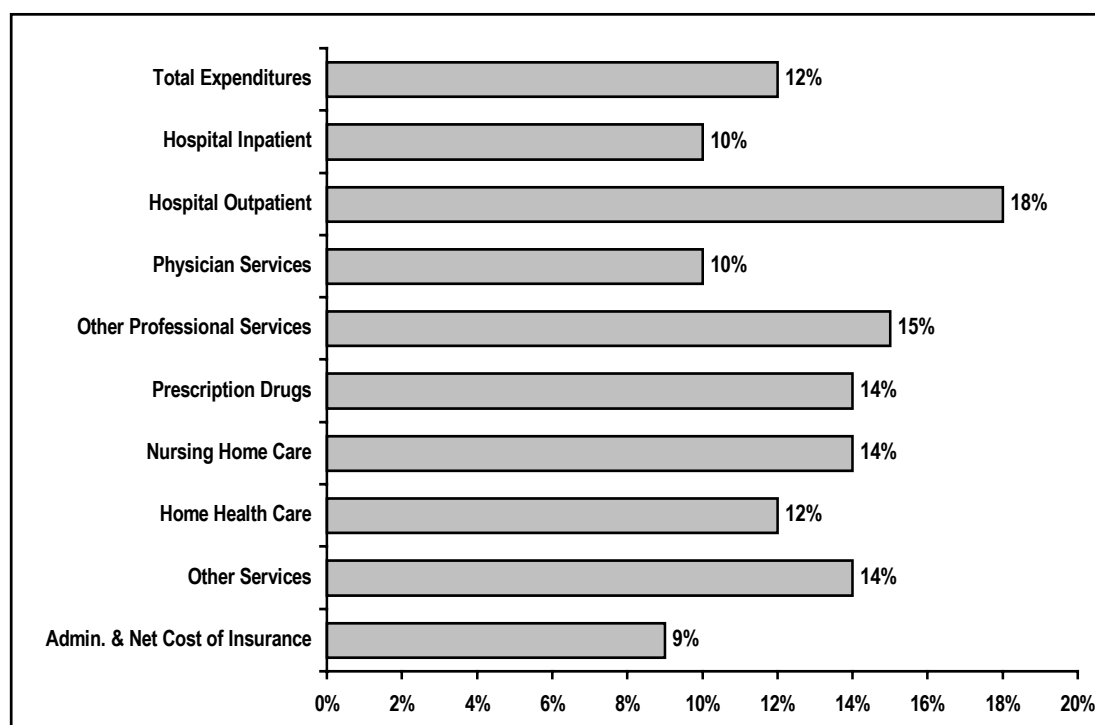
Figure 8: Growth in Total and Per Capita Spending in Maryland and the U.S., 2000-2001



WHAT TYPES OF SERVICES ACCOUNTED FOR THE GROWTH IN EXPENDITURES?

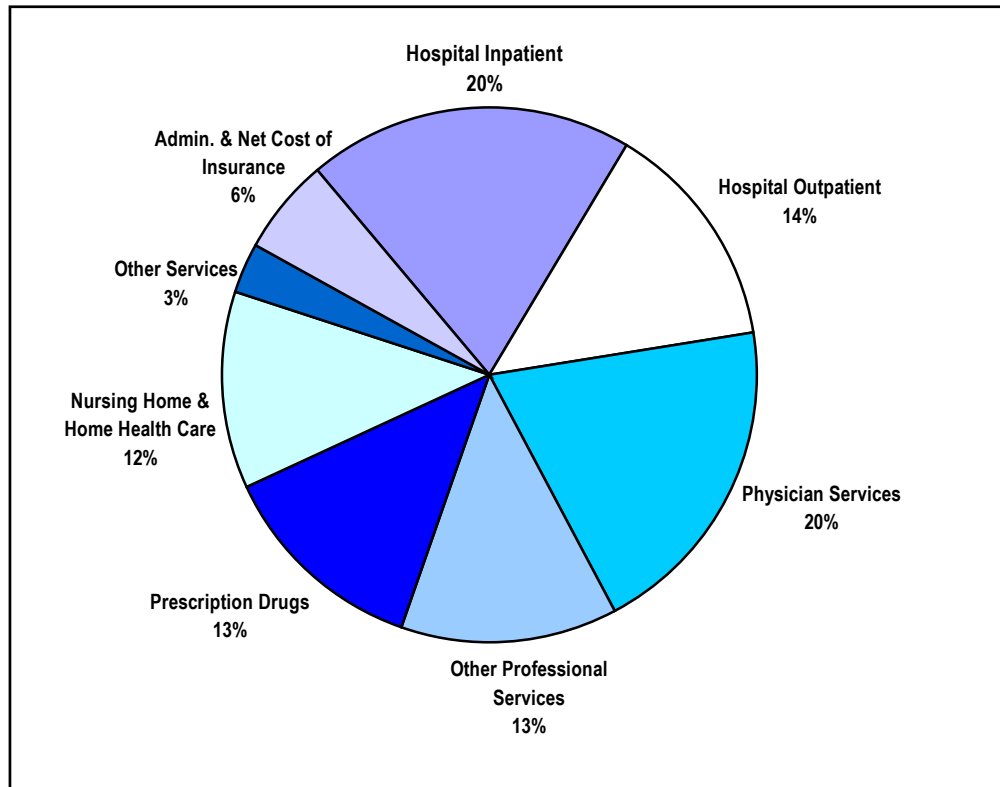
While total expenditures in Maryland grew by 12 percent in 2001, expenditures for some types of services grew either much faster or more slowly. Expenditures for outpatient hospital care grew very quickly in 2001 (by 18 percent), as did expenditures for non-physician professional services (15 percent), prescription drugs (14 percent), and nursing home care (14 percent). Expenditures for inpatient hospital care and physician care (both services that entailed relatively little out-of-pocket spending in Maryland) grew more slowly (by 10 percent), as did administrative costs for insurance (9 percent).

Figure 9: Percent Change in Total Expenditures by Type of Service, 2000-2001



Despite the relatively slow growth of expenditures for hospital inpatient care and physician services, the importance of these service types in Maryland's total spending for health care means that even relatively slow growth in these sectors contributes significantly to overall expenditure growth. Growth in spending for hospital and physician care accounted for 54 percent of total spending growth in Maryland in 2001. Greater spending for non-physician professional services and prescription drugs each accounted for 13 percent of the growth in total expenditures. Nursing home care and home health care, taken together, accounted for 12 percent of expenditure growth.

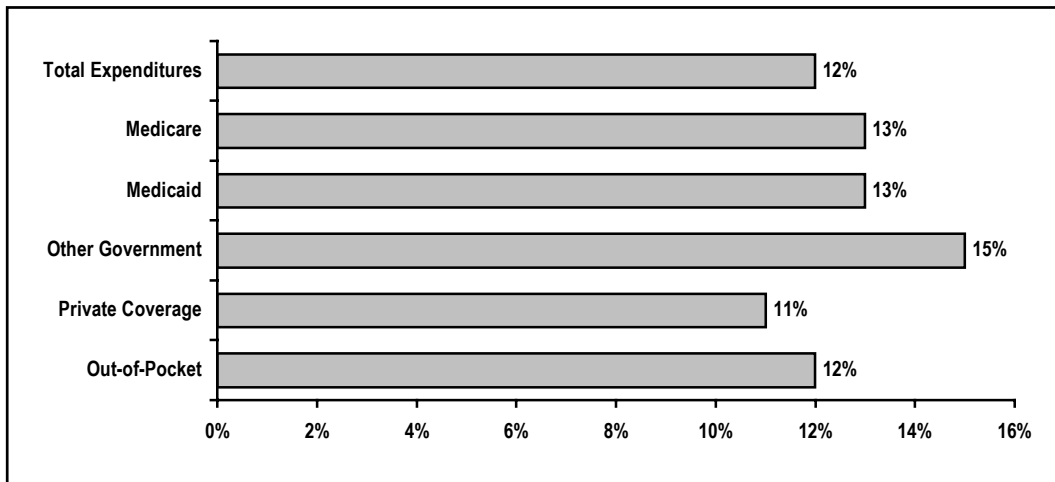
Figure 10: Growth in Expenditures by Type of Service as a Percent of Total Growth, 2001



WHAT PAYERS ACCOUNTED FOR MOST OF THE GROWTH IN EXPENDITURES?

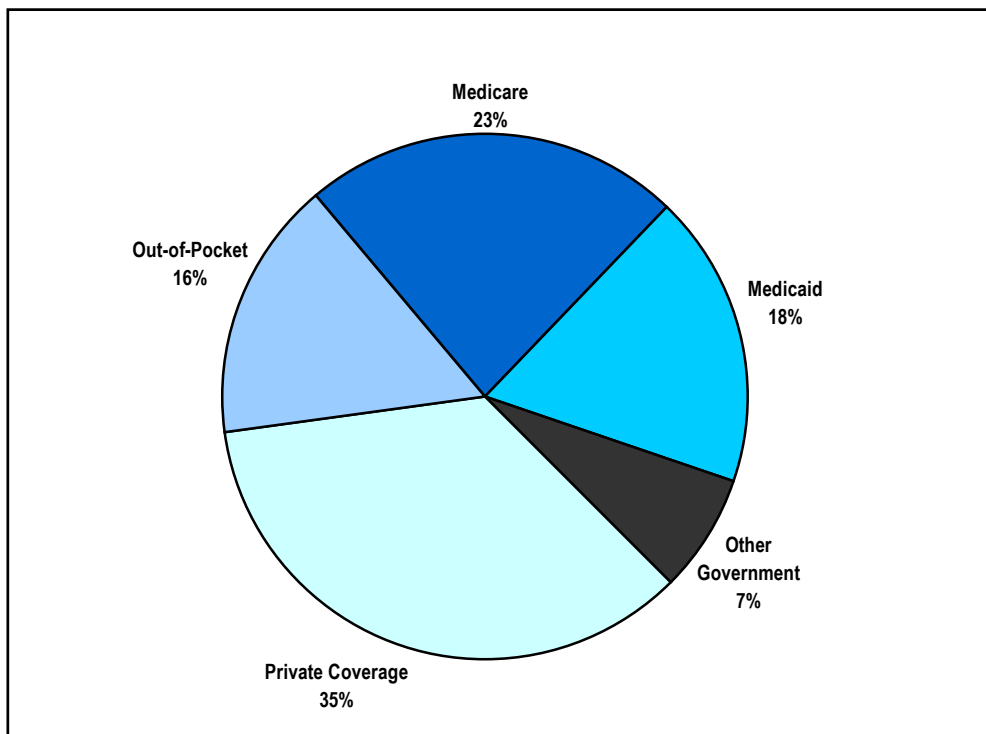
In 2001, Medicare and Medicaid expenditures grew faster than the expenditures by either private insurers or consumers in Maryland. Medicare, the largest single insurer in the state, spent 13 percent more in 2001 than in 2000, as did Medicaid. Spending by other government payers (including the Veterans Administration, the Department of Defense CHAMPUS program, and other state and local programs) increased even faster (15 percent). Expenditures covered by private insurance grew less than the overall average (11 percent), while growth in consumer spending out-of-pocket reflects the average increase (12 percent). These figures indicate a shift in the financing of health care spending from private insurers (including self-insured employers) to public payers and individual Maryland residents.

Figure 11: Percent Growth in Total Expenditures by Source of Payment, 2000-2001



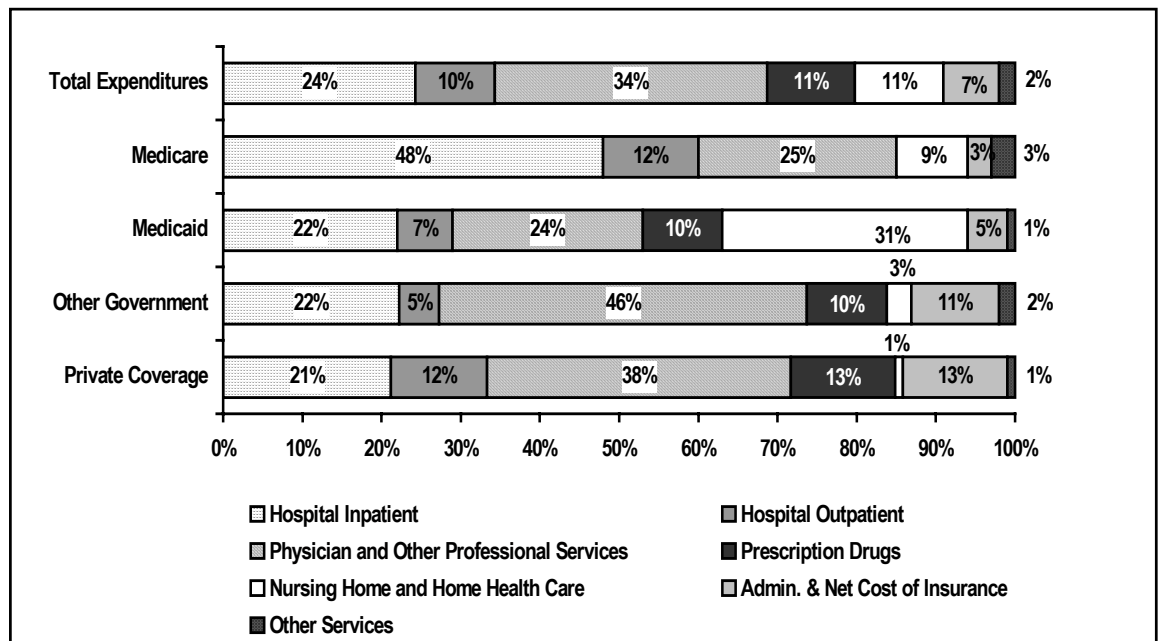
While privately insured expenditures grew more slowly than expenditures associated with other payers in Maryland, they are the largest sector of expenditures in Maryland and, therefore, accounted for the largest share of expenditure growth in 2001 (35 percent of the total). Medicare accounted for nearly a quarter of expenditure growth (23 percent). While other government program spending grew very fast in 2001, it nevertheless accounted for just 7 percent of expenditure growth overall.

Figure 12: Growth in Expenditures by Source of Payment as a Percent of Total Growth, 2001



The relative growth in expenditures for different service types affected Maryland's third-party payers differently. Sixty percent of the growth in Medicare expenditures in Maryland in 2001 was associated with increased expenditures for inpatient and outpatient hospital care. In contrast, the increase in Medicaid spending was more evenly distributed among major types of services – with long-term care (and nursing home care in particular) accounting for nearly one-third of the increase in spending (31 percent), and hospital care accounting for nearly as large a proportion (29 percent). Physician and other professional services contributed more than other types of services to the growth in private insurer spending, accounting for 38 percent of the growth in private insurer spending in 2001.

Figure 13: Percent Distribution of Growth in Insurers' Total Expenditures by Type of Service, 2000-2001

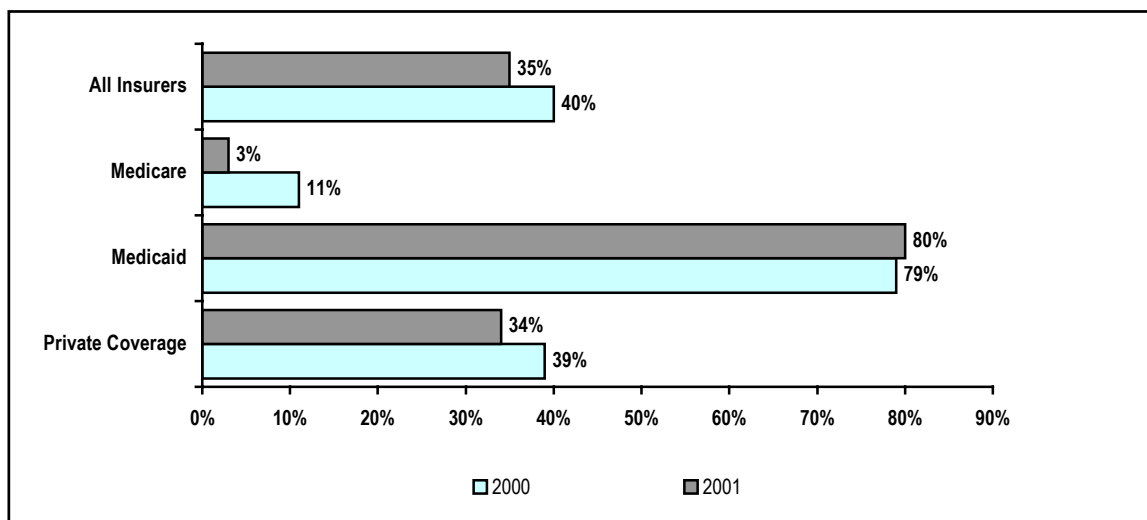


DID HMOs HAVE A DIFFERENT COST EXPERIENCE?

HMO enrollment accounted for 35 percent of enrollment among all insurers in 2001, but just 28 percent of insured health expenditures. Medicare+Choice enrollment among Medicare beneficiaries declined by 72 percent in 2001 (from 69,000 to just 20,000), leaving less than 3 percent of Medicare beneficiaries enrolled in an HMO. Total spending associated with Marylanders in Medicare+Choice plans dropped from \$416 million to \$126 million.

In contrast, HMO enrollment continued to climb among Medicaid beneficiaries. Greater Maryland Children's Health Insurance Program (MCHIP) enrollment and enrollment by previously ineligible mothers and children raised participation in Medicaid's HMO product, called HealthChoice.

Figure 14: HMO Enrollment as a Percent of Total Enrollment by Insurer, 2000 and 2001



Among insured Marylanders as a whole, total and per capita HMO expenditures were substantially lower than among enrollees in non-HMO health plans, although per capita expenditures among HMO enrollees rose much faster – by 11 percent in 2001, compared to just 3 percent among non-HMO enrollees.

Figure 15: Total Expenditures (\$ millions) and Rate of Growth for All Insurers by Delivery System, 2000-2001

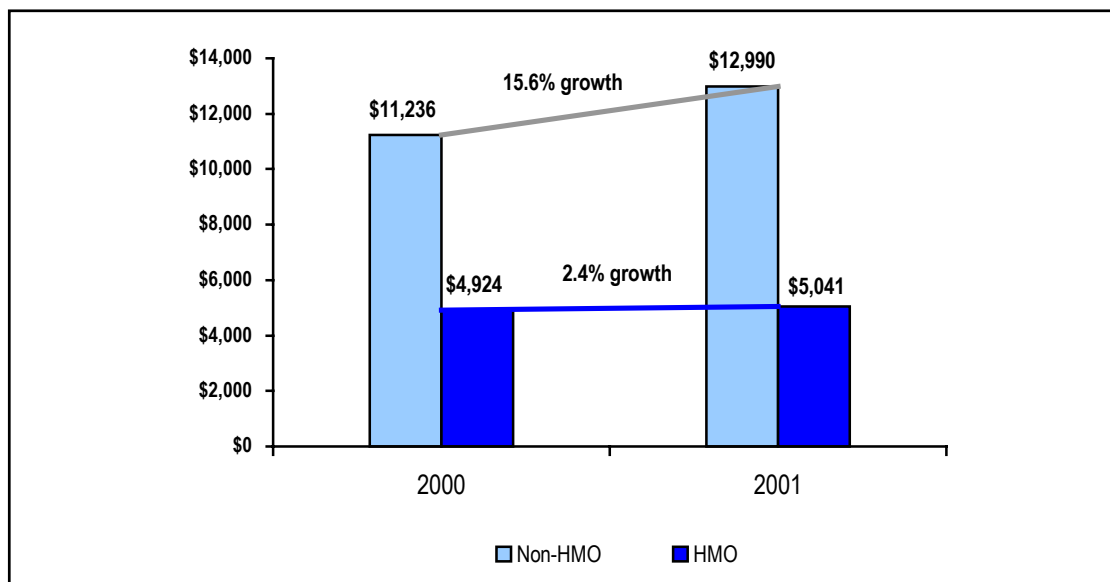
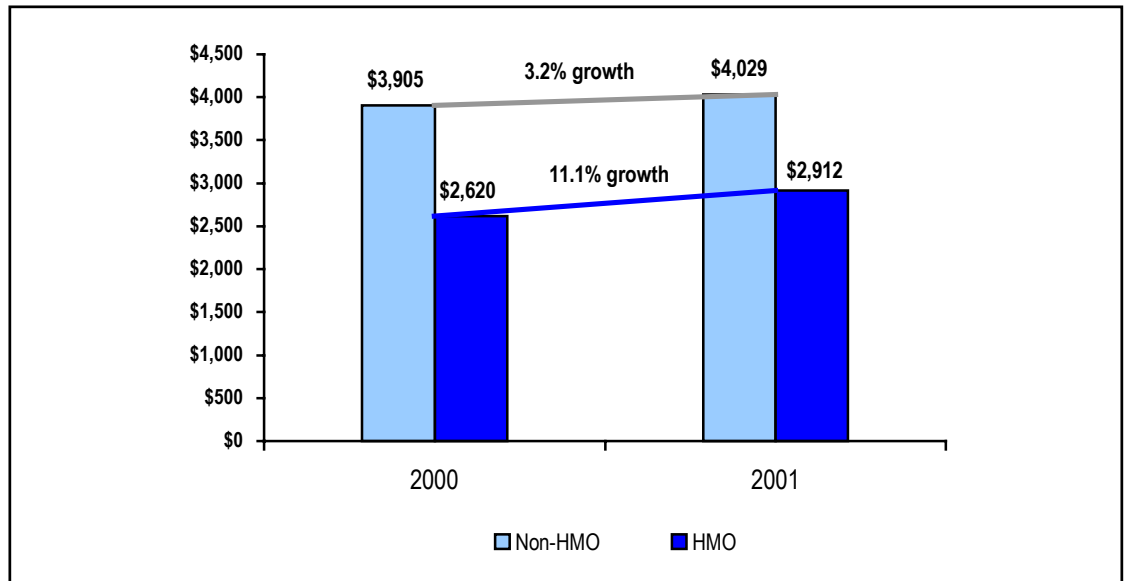


Figure 16: Per Capita Expenditures and Rate of Growth for All Insurers by Delivery System, 2000-2001

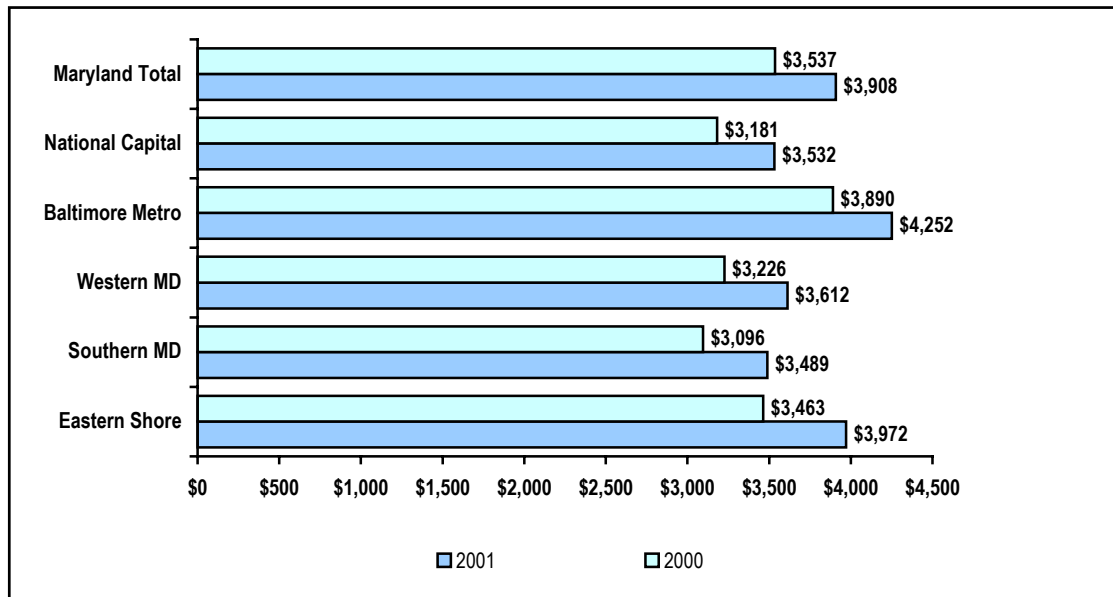


WHERE IN MARYLAND DID HEALTH CARE EXPENDITURES GROW THE FASTEST?

Per capita health care spending in Maryland remained the highest in the Baltimore Metropolitan area, reaching \$4,252 per resident in 2001, compared to \$3,532 per resident in the National Capital Area, Maryland's next most populous region but more extensively suburban and residential than in the metropolitan Baltimore area.³ Per capita health care expenditures in Maryland's Eastern Shore area, \$3,972 per person, ranked second behind Baltimore Metro in 2001.

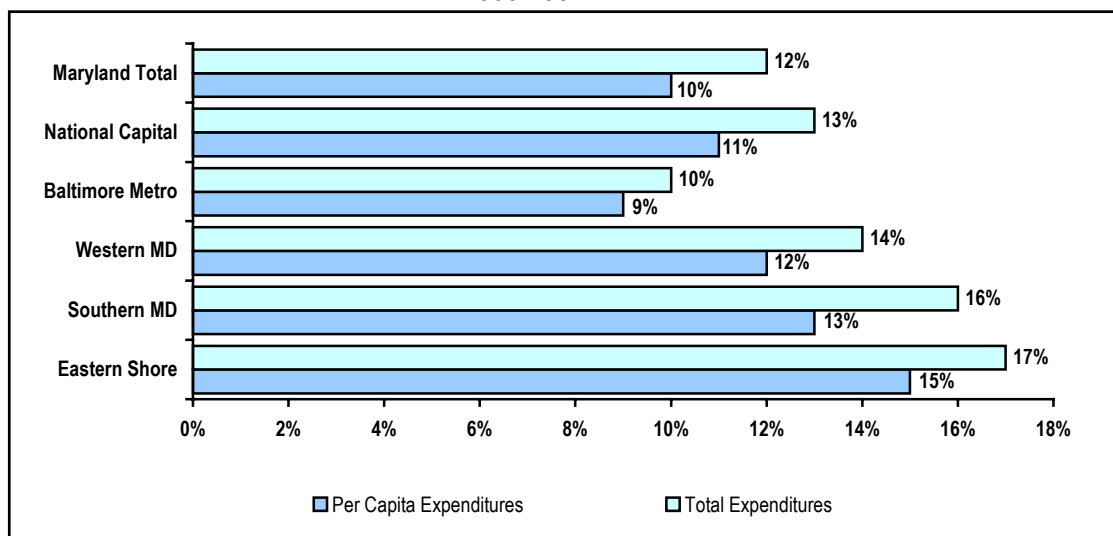
³ The National Capital Area includes Montgomery and Prince George's counties; Baltimore Metro includes Anne Arundel, Baltimore, Carroll, Harford, and Howard counties, and Baltimore City; the Eastern Shore includes Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester counties; Southern Maryland includes Calvert, Charles, and St. Mary's counties; and Western Maryland includes Allegany, Frederick, Garrett, and Washington counties.

Figure 17: Per Capita Expenditures by Region, 2000 and 2001



While Baltimore Metro remained the region with the highest expenditures, expenditure growth between 2000 and 2001 in the region was the lowest of any region in Maryland. Per capita expenditures rose 9 percent in 2001 in the Baltimore Metro area, contrasted with 15 percent on the Eastern Shore (bringing the Eastern Shore most closely in line with Baltimore Metro's relatively high level of per capita expenditures), and 13 percent in Southern Maryland. In 2001, total health care spending rose 17 percent on the Eastern Shore and 16 percent in Southern Maryland, compared to 10 percent growth in the Baltimore Metro area and 13 percent in the National Capital Area.

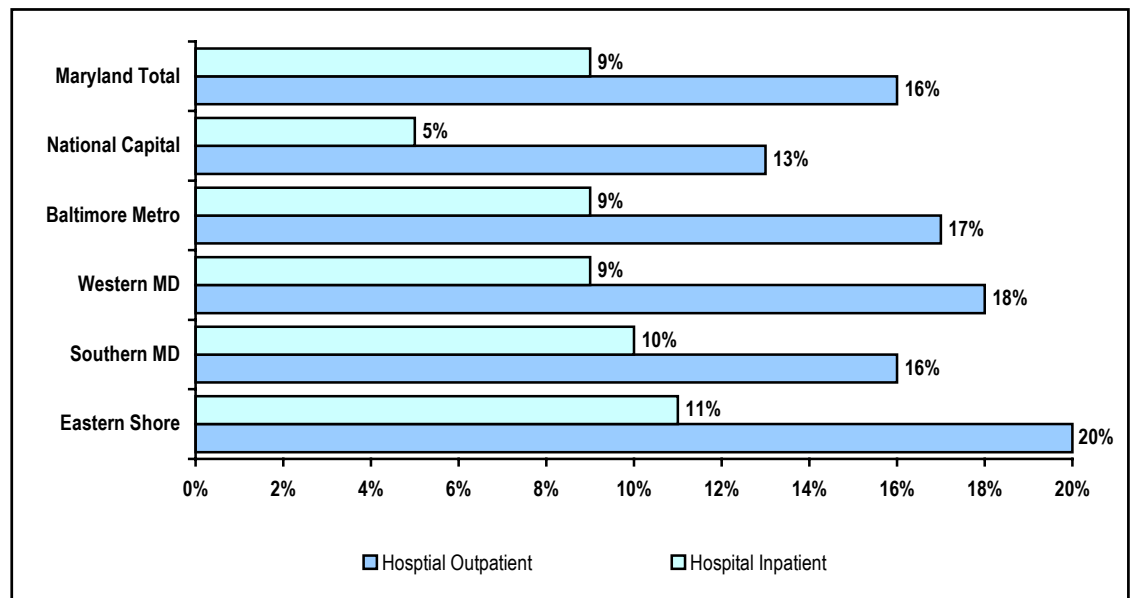
Figure 18: Percent Growth in Total and Per Capita Expenditures by Region, 2000-2001



The principal sources of expenditure growth varied among regions of Maryland. In at least one region of the state, per capita expenditures increased 15 percent or more in any of six service categories: hospital outpatient care, physician services, other professional services, prescription drugs, nursing home care, and other services. On the Eastern Shore, per capita expenditures for prescription drugs grew 24 percent in 2001, approximately twice as fast as in any other region of the state and consistent with Eastern Shore residents' higher growth of total expenditures per capita relative to other regions.⁴ Spending for outpatient hospital care rose 20 percent there, and spending for other professional services rose 18 percent.

Prescription drugs was also the fastest growing service category in Southern Maryland, where per capita spending for prescription drugs rose 17 percent. In Western Maryland and in the Baltimore Metro area, per capita expenditures for hospital outpatient care led the regions' growth in expenditures. Expenditures per resident for outpatient hospital care rose 18 percent in Western Maryland and 17 percent in the Baltimore Metro area. In the National Capital Area per capita spending grew fastest for physician and other professional services, which increased by 16 percent.

Figure 19: Percent Growth in Per Capita Expenditures for Hospital Care by Region, 2000-2001



⁴ The large cost increase observed on the Eastern Shore may be related to a substantial shift in private coverage from HMOs into non-HMO health plans. This shift is measured as the difference between the number of Eastern Shore residents who are estimated to be privately insured (using the Behavioral Risk Factor Surveillance System (BRFSS) count of non-elderly insured adults net administrative enrollment figures for public insurance programs), and the number enrolled in HMOs as reported by InterStudy. The estimate of privately insured, non-HMO residents on the Eastern Shore increased significantly between 2000 and 2001; some of this growth may

Figure 20: Percent Growth in Per Capita Expenditures for Physician and Other Professional Services by Region, 2000-2001

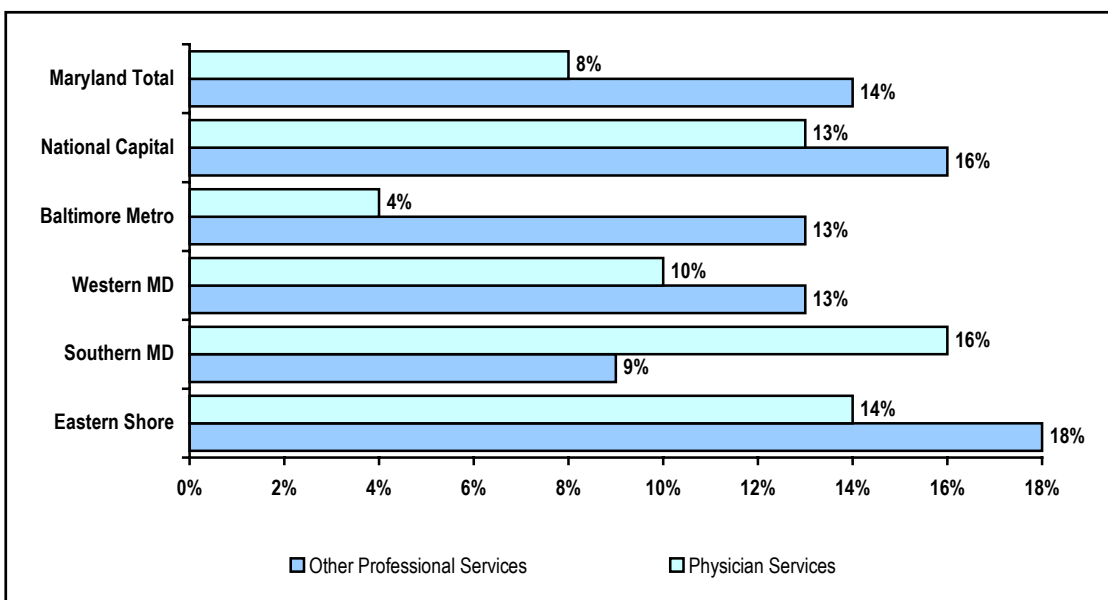
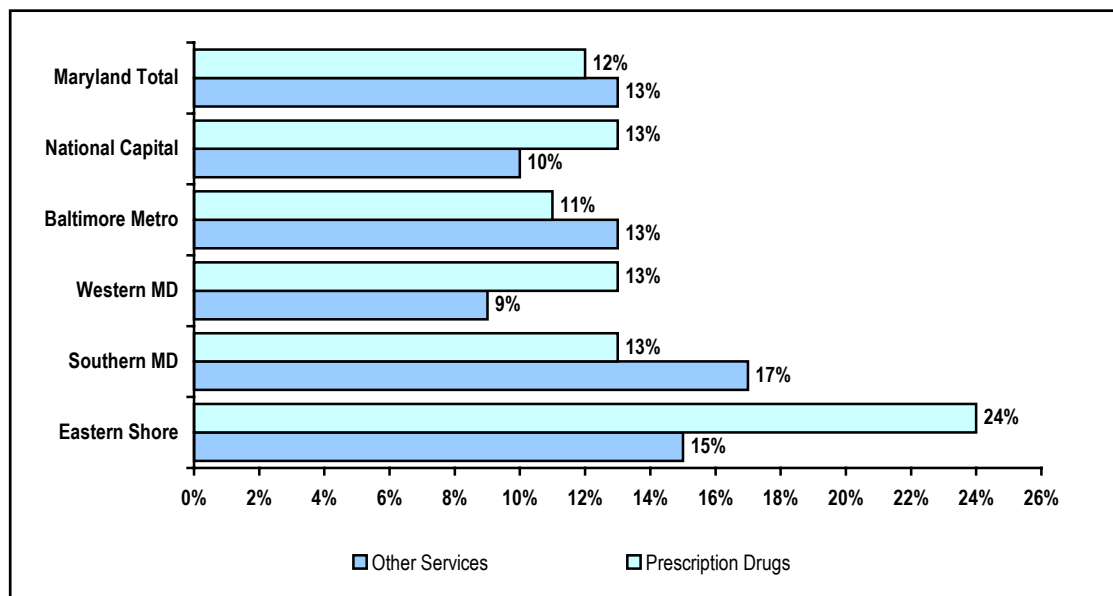


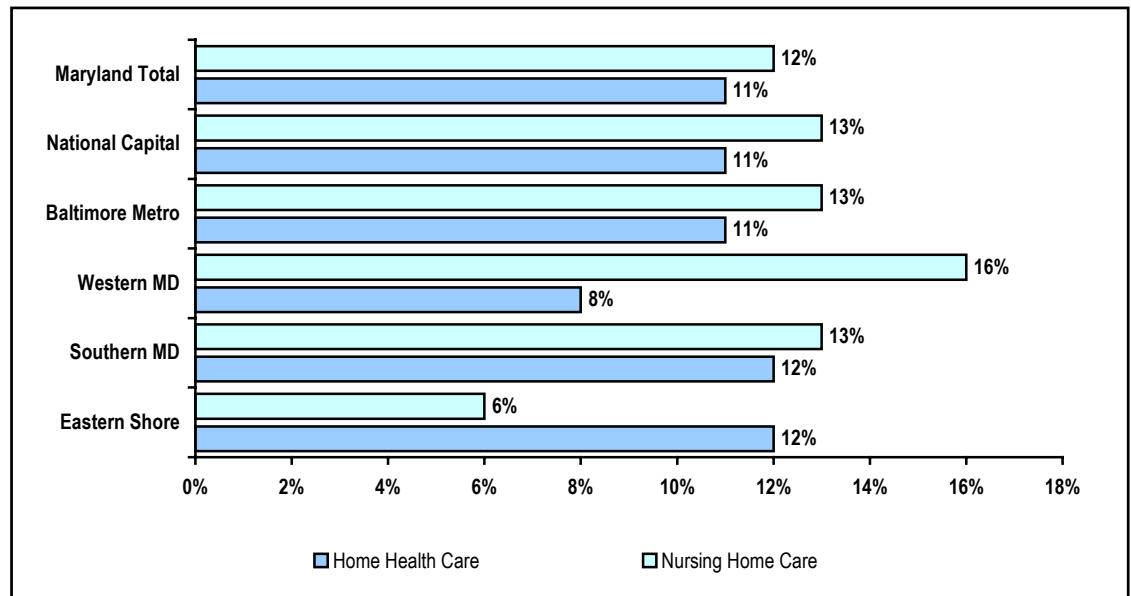
Figure 21: Percent Growth in Per Capita Expenditures for Prescription Drugs and Other Services by Region, 2000-2001



(continued)

reflect survey or sampling error.

Figure 22: Percent Growth in Per Capita Expenditures for Nursing Home and Home Health Care by Region, 2000-2001



The balance of this report offers detailed tables of the information presented in the preceding sections and figures. These tables offer the reader additional information and context for the changes in health care expenditures that occurred in Maryland in 2001.

Supporting Tables

Health Care Expenditures in Maryland

Table 1: Total and Per Capita Expenditures and Rate of Growth, 2000-2001

EXPENDITURE COMPONENTS	2000	2001	PERCENT CHANGE
Total Expenditures (\$ millions)	\$18,786.6	\$21,008.8	11.8%
Per Capita Expenditures	3,537	3,908	10.5

Health Care Expenditures by Type of Service

Table 2: Total Expenditures and Rate of Growth by Type of Service, 2000-2001 (\$ millions)

EXPENDITURE COMPONENTS	2000	2001	PERCENT CHANGE
Total Health Expenditures	\$18,786.6	\$21,008.8	11.8%
Hospital Services			
Inpatient	4,666.5	5,119.6	9.7
Outpatient	1,747.8	2,055.8	17.6
Physician Services	4,591.7	5,028.7	9.5
Other Professional Services	1,849.6	2,131.4	15.2
Prescription Drugs	2,072.0	2,354.2	13.6
Nursing Home Care	1,364.1	1,551.1	13.7
Home Health Care	621.5	697.8	12.3
Other Services	457.6	521.1	13.9
Administration and Net Cost of Insurance	1,415.7	1,549.1	9.4

Table 3: Per Capita Expenditures and Rate of Growth by Type of Service, 2000-2001

EXPENDITURE COMPONENTS	2000	2001	PERCENT CHANGE
Total Per Capita Expenditures	\$3,537	\$3,908	10.5%
Hospital Services			
Inpatient	879	953	8.4
Outpatient	329	382	16.2
Physician Services	865	936	8.2
Other Professional Services	348	397	13.9
Prescription Drugs	390	438	12.3
Nursing Home Care	257	289	12.3
Home Health Care	117	130	10.9
Other Services	86	97	12.5
Administration and Net Cost of Insurance	267	288	8.1

Table 4: Expenditures by Selected Source of Payment as a Percent of Total Expenditures, 2001

EXPENDITURE COMPONENTS	MEDICARE	MEDICAID	OTHER GOVERNMENT	PRIVATE COVERAGE	ALL PAYERS
Total Health Expenditures	100%	100%	100%	100%	100%
Hospital Services					
Inpatient	47.5	21.7	22.3	21.3	24.4
Outpatient	12.3	7.5	5.3	12.4	9.8
Physician Services	21.5	13.6	11.5	33.6	23.9
Other Professional Services	3.1	10.3	34.6	4.1	10.1
Prescription Drugs	0.1	10.3	9.9	13.4	11.2
Nursing Home Care	6.6	21.4	2.8	0.3	7.4
Home Health Care	2.7	9.6	0.4	1.1	3.3
Other Services	3.0	0.8	2.2	0.6	2.5
Administration and Net Cost of Insurance	3.3	4.8	11.2	13.3	7.4

Note: Types of delivery system are combined within payer groups. Medicare includes Original Medicare and Medicare+Choice, Medicaid includes Traditional Medicaid and HealthChoice, Private Coverage includes Insurers & Self-Funded and HMO plans, and All Payers includes all of the above and out-of-pocket expenditures.

Health Care Expenditures by Source of Payment

Table 5: Total and Per Capita Expenditures by Source of Payment, 2000 and 2001

EXPENDITURE COMPONENTS	MEDICARE		MEDICAID		OTHER GOVERNMENT		PRIVATE COVERAGE	
	2000	2001	2000	2001	2000	2001	2000	2001
Total Expenditures (\$ millions)	\$4,130.9	\$4,651.2	\$3,173.9	\$3,578.7	\$1,068.7	\$1,232.9	\$7,407.8	\$8,189.8
Per Capita Expenditures	7,315	8,153	6,298	6,633	-----	-----	2,264	2,390

Note: Unduplicated estimates of persons covered by other government programs are not available. Types of delivery system are combined within payer groups. Medicare includes Original Medicare and Medicare+Choice, Medicaid includes Traditional Medicaid and HealthChoice, and Private Coverage includes Insurers & Self-Funded and HMO plans.

Note: A "-----" means not applicable.

Table 6: Rate of Growth in Total and Per Capita Expenditures by Source of Payment, 2000-2001

EXPENDITURE COMPONENTS	MEDICARE	MEDICAID	OTHER GOVERNMENT	PRIVATE COVERAGE
Total Expenditures	12.6%	12.8%	15.4%	10.6%
Per Capita Expenditures	11.5	5.3	-----	5.6

Note: Unduplicated estimates of persons covered by other government programs are not available. Types of delivery system are combined within payer groups. Medicare includes Original Medicare and Medicare+Choice, Medicaid includes Traditional Medicaid and HealthChoice, and Private Coverage includes Insurers & Self-Funded and HMO plans.

Note: A "-----" means not applicable.

Table 7: Total Expenditures by Source of Payment and Type of Service, 2000 and 2001 (\$ millions)

EXPENDITURE COMPONENTS	MEDICARE		MEDICAID		OTHER GOVERNMENT		PRIVATE COVERAGE	
	2000	2001	2000	2001	2000	2001	2000	2001
Total Health Expenditures	\$4,130.9	\$4,651.2	\$3,173.9	\$3,578.7	\$1,068.7	\$1,232.9	\$7,407.8	\$8,189.8
Hospital Services								
Inpatient	1,967.1	2,210.2	728.5	776.1	234.8	274.7	1,633.7	1,748.2
Outpatient	487.4	571.2	227.5	268.0	49.7	65.0	855.9	1,014.0
Physician Services	920.7	998.2	452.7	488.5	125.5	141.4	2,498.5	2,748.8
Other Professional Services	113.8	144.2	304.7	366.9	371.3	426.1	312.0	334.0
Prescription Drugs	15.5	4.4	310.2	368.7	98.8	121.9	979.8	1,100.1
Nursing Home Care	232.4	305.8	691.0	766.6	29.4	34.8	18.5	20.6
Home Health Care	109.3	124.1	300.8	344.4	4.1	4.8	79.1	87.8
Other Services	118.8	139.4	24.1	28.6	25.9	26.6	44.1	49.5
Administration and Net Cost of Insurance	165.9	153.7	134.5	171.0	129.2	137.6	986.2	1,086.8

Note: Types of delivery system are combined within payer groups. Medicare includes Original Medicare and Medicare+Choice, Medicaid includes Traditional Medicaid and HealthChoice, and Private Coverage includes Insurers & Self-Funded and HMO plans.

Table 8: Rate of Growth in Total Expenditures by Source of Payment and Type of Service, 2000-2001

EXPENDITURE COMPONENTS	MEDICARE	MEDICAID	OTHER GOVERNMENT	PRIVATE COVERAGE
Total Health Expenditures	12.6%	12.8%	15.4%	10.6%
Hospital Services				
Inpatient	12.4	6.5	17.0	7.0
Outpatient	17.2	17.8	30.8	18.5
Physician Services	8.4	7.9	12.6	10.0
Other Professional Services	26.8	20.4	14.7	7.0
Prescription Drugs	-71.7	18.8	23.5	12.3
Nursing Home Care	31.6	10.9	18.3	11.8
Home Health Care	13.5	14.5	18.4	11.1
Other Services	17.4	18.5	3.0	12.2
Administration and Net Cost of Insurance	-7.4	27.2	6.5	10.2

Note: Types of delivery system are combined within payer groups. Medicare includes Original Medicare and Medicare+Choice, Medicaid includes Traditional Medicaid and HealthChoice, and Private Coverage includes Insurers & Self-Funded and HMO plans.

Table 9: Expenditures by Type of Service as a Percent of Total Expenditures, 2001

EXPENDITURE COMPONENTS	GOVERNMENT SECTOR				PRIVATE SECTOR			TOTAL EXPENDITURES
	Medicare	Medicaid	Other Government	Total Government	Private Coverage	Out-of-Pocket	Total Private	
Total Health Expenditures	22.1%	17.0%	5.9%	45.0%	39.0%	16.0%	55.0%	100%
Hospital Services								
Inpatient	43.2	15.2	5.4	63.7	34.1	2.2	36.3	100
Outpatient	27.8	13.0	3.2	44.0	49.3	6.7	56.0	100
Physician Services	19.8	9.7	2.8	32.4	54.7	13.0	67.6	100
Other Professional Services	6.8	17.2	20.0	44.0	15.7	40.4	56.0	100
Prescription Drugs	0.2	15.7	5.2	21.0	46.7	32.2	79.0	100
Nursing Home Care	19.7	49.3	2.2	71.4	1.3	27.3	28.6	100
Home Health Care	17.8	49.3	0.7	67.8	12.6	19.6	32.2	100
Other Services	26.8	5.5	5.1	37.4	9.5	53.1	62.6	100
Administration and Net Cost of Insurance	9.9	11.0	8.9	29.8	70.2	----	70.2	100

Note: Types of delivery system are combined within payer groups. Medicare includes Original Medicare and Medicare+Choice, Medicaid includes Traditional Medicaid and HealthChoice, and Private Coverage includes Insurers & Self-Funded and HMO plans.

Note: A "-----" means not applicable.

Table 10: Percent of the Growth in Insurers' Expenditures Associated with Different Types of Service, 2000-2001

EXPENDITURE COMPONENTS	GOVERNMENT SECTOR		PRIVATE SECTOR
	Medicare	Medicaid	Private Coverage
Total Health Expenditures	100%	100%	100%
Hospital Services			
Inpatient	46.7	11.8	14.6
Outpatient	16.1	10.0	20.2
Physician Services	14.9	8.8	32.0
Other Professional Services	5.9	15.4	2.8
Prescription Drugs	-2.1	14.4	15.4
Nursing Home Care	14.1	18.7	0.3
Home Health Care	2.8	10.8	1.1
Other Services	4.0	1.1	0.7
Administration and Net Cost of Insurance	-2.3	9.0	12.9

Note: Types of delivery system are combined within payer groups. Medicare includes Original Medicare and Medicare+Choice, Medicaid includes Traditional Medicaid and HealthChoice, and Private Coverage includes Insurers & Self-Funded and HMO plans.

Table 11: Percent of the Growth in Expenditures for Types of Service Associated with Different Sources of Payment, 2000-2001

EXPENDITURE COMPONENTS	GOVERNMENT SECTOR					PRIVATE SECTOR			TOTAL EXPENDITURES
	Medicare		Medicaid		Other Government	Private Coverage		Out-of-Pocket	
	Original	+Choice	Traditional	HealthChoice		Insurers & Self-Funded	HMO		
Total Health Expenditures	36.3%	-12.9%	12.6%	5.6%	7.4%	27.2%	7.9%	15.8%	100%
Hospital Services									
Inpatient	75.3	-21.6	7.9	2.6	8.8	26.6	-1.3	1.8	100
Outpatient	33.9	-6.6	2.9	10.2	5.0	32.4	18.9	3.3	100
Physician Services	41.5	-23.8	2.1	6.1	3.6	45.6	11.7	13.1	100
Other Professional Services	11.6	-0.8	20.4	1.7	19.4	4.6	3.2	39.9	100
Prescription Drugs	-----	-3.9	14.9	5.9	8.2	30.5	12.1	32.4	100
Nursing Home Care	43.4	-4.2	40.4	0.1	2.9	1.0	0.1	16.3	100
Home Health Care	24.5	-5.2	56.1	1.1	1.0	9.6	1.9	11.0	100
Other Services	43.3	-10.7	6.3	0.7	1.2	7.4	1.1	50.7	100
Administration and Net Cost of Insurance	15.6	-24.8	3.4	24.0	6.3	54.5	20.9	-----	100

Note: A "-----" means not applicable.

HMO Enrollment and Cost Experience

Table 12: HMO Enrollment: Number and Share of Total Enrollment by Insurer, 2000 and 2001

YEAR	HMO ENROLLMENT NUMBER			
	Medicare	Medicaid	Private Coverage	All Insurers
2000	69,483	389,851	1,420,209	1,879,543
2001	19,703	422,905	1,288,722	1,731,331
YEAR	PERCENT OF TOTAL ENROLLMENT			
	Medicare	Medicaid	Private Coverage	All Insurers
2000	10.5%	79.1%	39.4%	39.5%
2001	2.9	80.2	34.3	34.9

Table 13: Rate of Growth in HMO Enrollment by Insurer, 1995-2001

YEAR	MEDICARE	MEDICAID	PRIVATE COVERAGE	ALL INSURERS
2000-01	-71.6%	8.5%	-9.3%	-7.9%
1999-00	-19.5	10.0	-2.0	-0.6
1998-99	-3.1	11.4	-1.6	0.3
1997-98	5.3	79.4	-0.4	7.1
1996-97	125.0	30.4	5.6	10.1
1995-96	131.8	-0.1	6.6	7.3

Table 14: Total and Per Capita Expenditures for Medicare and Medicaid Beneficiaries and All Insured Residents, 2000 and 2001

YEAR	TOTAL HEALTH EXPENDITURES (\$ millions)					
	Medicare		Medicaid		All Insurers	
	Original	+Choice	Traditional	HealthChoice	Non-HMO	HMO
2000	\$4,412.6	\$416.3	\$1,678.7	\$1,495.2	\$11,235.9	\$4,924.2
2001	5,347.2	125.9	1,828.8	1,749.9	12,989.6	5,041.0
YEAR	PER CAPITA EXPENDITURES					
	Medicare		Medicaid		All Insurers	
	Original	+Choice	Traditional	HealthChoice	Non-HMO	HMO
2000	\$7,471	\$5,991	\$16,237	\$3,835	\$3,905	\$2,620
2001	8,206	6,390	17,502	4,138	4,029	2,912

Note: Medicare includes out-of-pocket payments and payments by Medicare Supplement plans. HealthChoice "Wrap Around" Services included in Medicaid HealthChoice.

Table 15: Rate of Growth in Total and Per Capita Expenditures for Medicare and Medicaid Beneficiaries and All Insured Residents, 2000 and 2001

	MEDICARE		MEDICAID		ALL INSURERS	
	Original	+Choice	Traditional	HealthChoice	Non-HMO	HMO
Total Health Expenditures	21.2%	-69.8%	8.9%	17.0%	15.6%	2.4%
Per Capita Expenditures	9.8	6.7	7.8	7.9	3.2	11.1

Note: Medicare includes out-of-pocket payments and payments by Medicare Supplement plans. HealthChoice "Wrap Around" Services included in Medicaid HealthChoice.

Table 16: Per Capita Expenditures for Medicare and Medicaid Beneficiaries by Delivery System and Type of Service, 2000 and 2001

	MEDICARE				MEDICAID			
	Original		+Choice		Traditional		HealthChoice	
	2000	2001	2000	2001	2000	2001	2000	2001
Total Health Expenditures	\$7,471	\$8,206	\$5,991	\$6,390	\$16,237	\$17,502	\$3,835	\$4,138
Hospital Services								
Inpatient	3,310	3,552	2,039	2,151	3,210	3,152	1,017	1,056
Outpatient	982	1,083	452	529	271	238	512	575
Physician Services	1,716	1,911	2,229	2,324	150	159	1,121	1,116
Other Professional Services	228	267	52	56	775	848	576	658
Prescription Drugs	-----	-----	246	249	1,777	1,982	324	382
Nursing Home Care	437	535	169	198	6,666	7,320	5	4
Home Health Care	175	188	87	101	2,746	3,090	43	51
Other Services	310	338	144	152	174	207	16	16
Administration and Net Cost of Insurance	314	332	572	631	469	508	221	279

Note: Medicare includes out-of-pocket payments and payments by Medicare Supplement plans. HealthChoice "Wrap Around" Services included in Medicaid HealthChoice.

Note: A "-----" means not applicable.

Table 17: Rate of Growth in Per Capita Expenditures for Medicare and Medicaid Beneficiaries by Delivery System and Type of Service, 2000 and 2001

EXPENDITURE COMPONENTS	MEDICARE		MEDICAID	
	Original	+Choice	Traditional	HealthChoice
Total Health Expenditures	9.8%	6.7%	7.8%	7.9%
Hospital Services				
Inpatient	7.3	5.5	-1.8	3.8
Outpatient	10.3	17.0	-12.1	12.3
Physician Services	11.3	4.3	5.6	-0.5
Other Professional Services	17.3	7.7	9.4	14.2
Prescription Drugs	----	1.3	11.5	17.8
Nursing Home Care	22.5	16.9	9.8	-15.4
Home Health Care	7.0	15.9	12.5	17.6
Other Services	9.0	5.0	19.1	4.2
Administration and Net Cost of Insurance	5.8	10.3	8.3	26.5

Note: Medicare includes out-of-pocket payments and payments by Medicare Supplement plans. HealthChoice "Wrap Around" Services included in Medicaid HealthChoice.

Note: A "-----" means not applicable.

Health Care Expenditures by Region

Table 18: Total and Per Capita Expenditures and Rate of Growth by Region, 2000-2001

REGION	TOTAL EXPENDITURES (\$ millions)		PERCENT CHANGE	PER CAPITA EXPENDITURES		PERCENT CHANGE
	2000	2001		2000	2001	
Maryland Total	\$18,786.6	\$21,008.8	11.8%	\$3,537	\$3,908	10.5%
National Capital	5,348.3	6,033.2	12.8	3,181	3,532	11.0
Baltimore Metro	9,788.5	10,762.8	10.0	3,890	4,252	9.3
Western MD	1,397.8	1,593.2	14.0	3,226	3,612	12.0
Southern MD	876.4	1,016.6	16.0	3,096	3,489	12.7
Eastern Shore	1,375.6	1,603.0	16.5	3,463	3,972	14.7

Table 19: Total Expenditures by Type of Service and Region, 2000 and 2001 (\$millions)

EXPENDITURE COMPONENTS	NATIONAL CAPITAL		BALTIMORE METRO		WESTERN MD		SOUTHERN MD		EASTERN SHORE	
	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001
Total Health Expenditures	\$5,348.3	\$6,033.2	\$9,788.5	\$10,762.8	\$1,397.8	\$1,593.2	\$876.4	\$1,016.6	\$1,375.6	\$1,603.0
Hospital Services										
Inpatient	1,225.5	1,311.4	2,547.9	2,804.1	330.8	368.2	215.5	243.7	346.9	392.3
Outpatient	485.8	559.8	873.8	1,028.5	140.1	168.3	84.2	100.2	163.8	198.9
Physician Services	1,468.8	1,682.2	2,320.6	2,420.9	314.1	352.3	216.3	257.8	271.9	315.6
Other Professional Services	515.3	607.9	972.8	1,103.5	139.3	160.7	83.1	92.9	139.1	166.4
Prescription Drugs	614.2	702.6	1,075.6	1,195.9	146.1	168.5	105.9	122.8	130.2	164.5
Nursing Home Care	333.2	381.7	695.6	788.5	139.2	164.5	52.5	61.3	143.7	155.1
Home Health Care	166.0	187.6	330.6	369.8	51.5	56.7	27.9	32.0	45.5	51.8
Other Services	104.5	116.9	250.9	286.2	38.8	43.1	20.2	24.4	43.2	50.5
Administration and Net Cost of Insurance	435.1	483.3	720.7	765.5	98.0	110.9	70.7	81.5	91.2	107.9

Table 20: Per Capita Expenditures by Type of Service and Region, 2000 and 2001

EXPENDITURE COMPONENTS	NATIONAL CAPITAL		BALTIMORE METRO		WESTERN MD		SOUTHERN MD		EASTERN SHORE	
	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001
Total Health Expenditures	\$3,181	\$3,532	\$3,890	\$4,252	\$3,226	\$3,612	\$3,096	\$3,489	\$3,463	\$3,972
Hospital Services										
Inpatient	729	768	1,013	1,108	763	835	761	836	873	972
Outpatient	289	328	347	406	323	382	297	344	412	493
Physician Services	874	985	922	956	725	799	764	885	684	782
Other Professional Services	307	356	387	436	322	364	294	319	350	412
Prescription Drugs	365	411	427	472	337	382	374	421	328	408
Nursing Home Care	198	223	276	312	321	373	186	211	362	384
Home Health Care	99	110	131	146	119	129	98	110	115	128
Other Services	62	68	100	113	89	98	71	84	109	125
Administration and Net Cost of Insurance	259	283	286	302	226	252	250	280	230	268

Table 21: Rate of Growth in Total and Per Capita Expenditures by Type of Service and Region, 2000-2001

EXPENDITURE COMPONENTS	NATIONAL CAPITAL		BALTIMORE METRO		WESTERN MD		SOUTHERN MD		EASTERN SHORE	
	% Change Total Expenditures	% Change Per Capita Expenditures	% Change Total Expenditures	% Change Per Capita Expenditures	% Change Total Expenditures	% Change Per Capita Expenditures	% Change Total Expenditures	% Change Per Capita Expenditures	% Change Total Expenditures	% Change Per Capita Expenditures
Total Health Expenditures	12.8%	11.0%	10.0%	9.3%	14.0%	12.0%	16.0%	12.7%	16.5%	14.7%
Hospital Services										
Inpatient	7.0	5.3	10.1	9.4	11.3	9.3	13.1	9.8	13.1	11.3
Outpatient	15.2	13.4	17.7	17.0	20.1	18.0	19.0	15.6	21.4	19.5
Physician Services	14.5	12.7	4.3	3.7	12.2	10.2	19.2	15.8	16.1	14.3
Other Professional Services	18.0	16.1	13.4	12.8	15.3	13.3	11.9	8.7	19.6	17.7
Prescription Drugs	14.4	12.6	11.2	10.5	15.3	13.3	15.9	12.6	26.3	24.4
Nursing Home Care	14.6	12.7	13.4	12.7	18.2	16.1	16.8	13.5	8.0	6.3
Home Health Care	13.0	11.2	11.9	11.2	10.2	8.2	14.8	11.5	13.7	11.9
Other Services	11.8	10.1	14.0	13.4	11.3	9.3	20.6	17.1	16.9	15.1
Administration and Net Cost of Insurance	11.1	9.3	6.2	5.6	13.3	11.3	15.3	12.0	18.3	16.5

Table 22a: Total Expenditures by Type of Service, Source of Payment, and Region, 2000 (\$ millions)

EXPENDITURE COMPONENTS	GOVERNMENT SECTOR					PRIVATE SECTOR			TOTAL EXPENDITURES
	Medicare		Medicaid		Other Government	Private Coverage		Out-of-pocket	
	Original	+Choice	Traditional	HealthChoice		Insurers & Self-Funded	HMO		
National Capital									
Total Health Expenditures	\$902.4	\$102.2	\$446.3	\$204.9	\$261.2	\$1,422.1	\$1,114.0	\$895.2	\$5,348.3
Hospital Services									
Inpatient	416.8	34.9	103.5	47.3	60.2	290.0	244.8	27.9	1,225.5
Outpatient	98.5	7.6	7.9	25.8	14.2	160.7	133.3	37.9	485.8
Physician Services	223.4	36.8	11.5	84.5		450.4	437.4	197.1	1,468.8
Other Professional Services	27.9	0.8	42.4	8.4	93.7	73.8	43.4	224.8	515.3
Prescription Drugs	-----	3.9	44.0	18.7	19.0	223.0	96.7	209.0	614.2
Nursing Home Care	56.9	2.9	154.6	0.3	8.4	4.5	1.6	104.0	333.2
Home Health Care	25.5	1.5	68.0	2.1	1.3	18.7	10.7	38.4	166.0
Other Services	24.2	2.4	4.3	1.0	5.2	6.5	5.0	56.0	104.5
Administration and Net Cost of Insurance	29.2	11.4	10.1	16.9	31.6	194.6		-----	435.1
Baltimore Metro									
Total Health Expenditures	\$1,975.6	\$297.1	\$1,218.2	\$644.2	\$576.0	\$2,348.2	\$1,198.0	\$1,531.1	\$9,788.5
Hospital Services									
Inpatient	1,004.6	101.5	298.3	162.5	125.0		287.7	54.2	2,547.9
Outpatient	249.0	22.2	68.5	78.3	23.9	232.3	138.7	60.9	873.8
Physician Services		107.1	28.6	252.7	68.9	750.6	447.3	292.8	2,320.6
Other Professional Services	58.6	2.4	156.9	30.4	201.0	89.6	53.7	380.2	972.8
Prescription Drugs	-----	11.2	122.1	58.8	56.7	383.7	104.0	339.1	1,075.6
Nursing Home Care	112.3	8.5	346.8	0.9	15.0	7.4	1.7	203.0	695.6
Home Health Care	55.9	4.3		4.3	2.0	31.2	7.6	67.2	330.6
Other Services	58.7	7.0	11.1	3.1	13.9	18.0	5.5	133.7	250.9
Administration and Net Cost of Insurance	63.9	33.0	27.7	53.2	69.6	321.4	151.9	-----	720.7
Western MD									
Total Health Expenditures	\$322.4	\$3.1	\$194.0	\$71.6	\$95.3	\$317.0	\$173.2	\$221.3	\$1,397.8
Hospital Services									
Inpatient	155.1	1.1	26.7	14.8	19.8	71.9	34.0	7.5	330.8
Outpatient	39.2	0.2	3.1	12.2	5.1	41.6	28.2	10.5	140.1
Physician Services	69.3	1.1	3.5	27.9	13.4	94.1	64.2	40.6	314.1
Other Professional Services	10.3	0.0	21.2	3.0	28.7	13.6	6.8	55.7	139.3
Prescription Drugs	-----	0.1	20.6	6.9		47.4	15.8	45.0	146.1
Nursing Home Care	19.7	0.1	83.1	0.1	2.3	1.0	0.2	32.7	139.2
Home Health Care	8.4	0.0	30.1	0.5	0.3	2.5	1.2	8.3	51.5
Other Services	10.1	0.1	1.2	0.4	3.7	1.5	0.8	21.0	38.8
Administration and Net Cost of Insurance	10.4	0.3	4.4	5.9	11.5	43.4	22.0	-----	98.0

Note: A "-----" means not applicable.

Note: 0.0 means expenditures less than \$50,000.

**Table 22a: Total Expenditures by Type of Service, Source of Payment, and Region, 2000 (\$ millions) –
(continued)**

EXPENDITURE COMPONENTS	GOVERNMENT SECTOR					PRIVATE SECTOR			TOTAL EXPENDITURES
	Medicare		Medicaid		Other Government	Private Coverage		Out-of- pocket	
	Original	+Choice	Traditional	HealthChoice		Insurers & Self-Funded	HMO		
Southern MD									
Total Health Expenditures	\$155.9	\$5.7	\$85.2	\$40.7	\$46.4	\$295.4	\$108.0	\$139.1	\$876.4
Hospital Services									
Inpatient	76.2	1.9	15.8	7.3	10.7	80.1	18.5	5.0	215.5
Outpatient	18.4	0.4	1.7	7.2	2.4	29.5	18.2	6.3	84.2
Physician Services	34.8	2.1	2.2	16.3	4.8	86.7	41.1	28.4	216.3
Other Professional Services	4.0	0.0	11.5	2.2	16.6	9.7	5.5	33.6	83.1
Prescription Drugs	-----	0.2	8.9	4.0	3.8	43.8	10.0	35.3	105.9
Nursing Home Care	7.6	0.2	27.7	0.1	1.4	0.9	0.2	14.4	52.5
Home Health Care	4.7	0.1	14.4	0.2	0.2	2.3	0.6	5.3	27.9
Other Services	5.1	0.1	1.0	0.1	0.9	1.9	0.3	10.8	20.2
Administration and Net Cost of Insurance	5.0	0.6	1.9	3.4	5.6	40.4	13.7	-----	70.7
Eastern Shore									
Total Health Expenditures	\$365.5	\$1.0	\$188.2	\$80.7	\$89.8	\$273.9	\$158.0	\$218.6	\$1,375.6
Hospital Services									
Inpatient	174.8	0.3	29.8	22.5	19.2	50.7	42.0	7.6	346.9
Outpatient	51.7	0.1	4.3	18.4	4.1	39.1	34.3	11.8	163.8
Physician Services	73.3	0.3	4.1	21.4	10.6	86.9	39.9	35.4	271.9
Other Professional Services	9.7	0.0	25.4	3.4	31.3	9.6	6.4	53.4	139.1
Prescription Drugs	-----	0.0	19.4	7.0	9.0	42.5	13.0	39.4	130.2
Nursing Home Care	24.2	0.0	77.1	0.1	2.3	0.9	0.2	38.8	143.7
Home Health Care	8.9	0.0	22.2	0.9	0.3	2.6	1.6	9.0	45.5
Other Services	11.0	0.0	1.7	0.3	2.2	4.2	0.6	23.3	43.2
Administration and Net Cost of Insurance	11.8	0.1	4.3	6.7	10.9	37.5	20.0	-----	91.2

Note: A "-----" means not applicable.

Note: 0.0 means expenditures less than \$50,000.

Table 22b: Total Expenditures by Type of Service, Source of Payment, and Region, 2001 (\$ millions)

EXPENDITURE COMPONENTS	GOVERNMENT SECTOR					PRIVATE SECTOR			TOTAL EXPENDITURES
	Medicare		Medicaid		Other Government	Private Coverage		Out-of-pocket	
	Original	+Choice	Traditional	HealthChoice		Insurers & Self-Funded	HMO		
National Capital									
Total Health Expenditures	\$1,061.1	\$62.2	\$522.9	\$231.7	\$307.9	\$1,589.5	\$1,243.8	\$1,014.0	\$6,033.2
Hospital Services									
Inpatient	473.6	21.3	118.1	47.0	71.8	305.8	244.6	29.2	1,311.4
Outpatient	115.9	5.2	11.7	30.9	18.8	177.0	160.6	39.8	559.8
Physician Services	267.8	22.2	14.5	94.2	32.5	534.8	490.3	225.9	1,682.2
Other Professional Services	35.0	0.5	54.8	9.9	109.6	81.9	51.4	264.8	607.9
Prescription Drugs	-----	2.2	54.6	22.6	24.0	242.3	117.7	239.1	702.6
Nursing Home Care	76.4	2.0	174.9	0.3	10.0	5.0	1.7	111.4	381.7
Home Health Care	30.6	1.0	77.8	2.3	1.5	20.9	11.9	41.5	187.6
Other Services	28.8	1.5	5.2	1.1	5.4	7.3	5.5	62.2	116.9
Administration and Net Cost of Insurance	33.1	6.4	11.5	23.4	34.4	214.5	160.0	----	483.3
Baltimore Metro									
Total Health Expenditures	\$2,498.8	\$55.7	\$1,347.9	\$709.3	\$655.9	\$2,605.9	\$1,209.3	\$1,680.0	\$10,762.8
Hospital Services									
Inpatient	1,245.9	19.1	310.4	168.2	144.3	579.1	277.9	59.2	2,804.1
Outpatient	314.3	4.6	69.9	96.0	31.0	287.6	158.7	66.4	1,028.5
Physician Services	481.7	19.9	33.0	262.1	75.7	810.0	433.2	305.2	2,420.9
Other Professional Services	78.7	0.4	182.0	33.1	228.4	93.1	54.7	433.1	1,103.5
Prescription Drugs	-----	2.0	143.4	69.2	69.5	421.5	114.3	376.0	1,195.9
Nursing Home Care	157.2	1.8	382.6	1.0	17.6	8.2	1.7	218.5	788.5
Home Health Care	65.9	0.9	183.4	4.6	2.3	34.7	7.6	70.3	369.8
Other Services	77.1	1.3	13.5	3.3	13.9	20.0	5.5	151.4	286.2
Administration and Net Cost of Insurance	77.9	5.7	29.6	71.7	73.2	351.7	155.6	----	765.5
Western MD									
Total Health Expenditures	\$371.2	\$0.8	\$223.4	\$82.6	\$108.7	\$376.8	\$179.1	\$250.7	\$1,593.2
Hospital Services									
Inpatient	168.9	0.3	29.1	16.5	22.9	87.5	34.7	8.2	368.2
Outpatient	48.9	0.1	4.5	13.8	6.6	53.8	29.0	11.5	168.3
Physician Services	79.4	0.3	4.2	32.1	15.0	108.3	67.5	45.4	352.3
Other Professional Services	12.6	0.0	29.0	3.2	32.4	14.1	6.7	62.6	160.7
Prescription Drugs	-----	0.0	24.3	7.5	12.5	56.2	15.8	52.3	168.5
Nursing Home Care	28.5	0.0	93.4	0.1	2.7	1.2	0.2	38.3	164.5
Home Health Care	9.8	0.0	32.5	0.6	0.4	3.0	1.3	9.1	56.7
Other Services	11.5	0.0	1.5	0.4	4.0	1.8	0.8	23.2	43.1
Administration and Net Cost of Insurance	11.6	0.1	4.9	8.4	12.1	50.8	23.0	----	110.9

Note: A "-----" means not applicable.

Note: 0.0 means expenditures less than \$50,000.

**Table 22b: Total Expenditures by Type of Service, Source of Payment, and Region, 2001 (\$ millions) –
(continued)**

EXPENDITURE COMPONENTS	GOVERNMENT SECTOR					PRIVATE SECTOR			TOTAL EXPENDITURES
	Medicare		Medicaid		Other Government	Private Coverage		Out-of- pocket	
	Original	+Choice	Traditional	HealthChoice		Insurers & Self-Funded	HMO		
Southern MD									
Total Health Expenditures	\$183.8	\$2.5	\$99.2	\$48.2	\$54.6	\$326.5	\$142.3	\$159.5	\$1,016.6
Hospital Services									
Inpatient	87.2	0.9	17.7	7.6	12.8	90.4	21.6	5.6	243.7
Outpatient	21.3	0.2	2.6	8.5	3.2	33.0	24.5	6.9	100.2
Physician Services	41.0	0.9	2.5	19.7	5.6	97.9	56.3	33.8	257.8
Other Professional Services	5.2	0.0	14.9	2.2	19.3	8.3	6.2	37.0	92.9
Prescription Drugs	-----	0.1	10.8	4.9	4.8	47.1	14.1	40.9	122.8
Nursing Home Care	11.1	0.1	30.6	0.1	1.7	1.0	0.2	16.6	61.3
Home Health Care	5.5	0.0	16.7	0.3	0.2	2.5	0.8	5.8	32.0
Other Services	6.7	0.1	1.1	0.1	0.9	2.1	0.4	13.0	24.4
Administration and Net Cost of Insurance	5.7	0.3	2.2	4.9	6.1	44.1	18.3	-----	81.5
Eastern Shore									
Total Health Expenditures	\$414.5	\$0.6	\$218.7	\$94.8	\$105.7	\$363.3	\$153.5	\$252.0	\$1,603.0
Hospital Services									
Inpatient	192.9	0.2	34.7	26.8	22.8	64.5	42.0	8.4	392.3
Outpatient	60.7	0.0	5.8	24.2	5.4	51.8	38.0	13.0	198.9
Physician Services	84.7	0.2	4.7	21.4	12.5	116.9	33.6	41.6	315.6
Other Professional Services	11.8	0.0	34.1	3.8	36.4	11.7	5.9	62.6	166.4
Prescription Drugs	-----	0.0	23.9	7.5	11.2	59.2	11.8	50.9	164.5
Nursing Home Care	28.7	0.0	83.5	0.1	2.8	1.1	0.2	38.5	155.1
Home Health Care	10.3	0.0	25.2	1.0	0.4	3.5	1.6	9.9	51.8
Other Services	12.5	0.0	2.0	0.3	2.5	5.6	0.5	27.1	50.5
Administration and Net Cost of Insurance	12.9	0.1	4.8	9.6	11.8	49.0	19.7	-----	107.9

Note: A "-----" means not applicable.

Note: 0.0 means expenditures less than \$50,000.

Table 23: Rate of Growth in Total Expenditures by Type of Service, Source of Payment, and Region, 2000-2001

EXPENDITURE COMPONENTS	GOVERNMENT SECTOR					PRIVATE SECTOR			TOTAL EXPENDITURES
	Medicare		Medicaid		Other Government	Private Coverage		Out-of-pocket	
	Original	+Choice	Traditional	HealthChoice		Insurers & Self-Funded	HMO		
National Capital									
Total Health Expenditures	17.6%	-39.1%	17.2%	13.1%	17.9%	11.8%	11.6%	13.3%	12.8%
Hospital Services									
Inpatient	13.6	-38.9	14.0	-0.6	19.3	5.5	-0.1	4.5	7.0
Outpatient	17.6	-32.4	48.4	19.8	32.7	10.1	20.5	5.2	15.2
Physician Services	19.9	-39.6	26.4	11.5	17.3	18.7	12.1	14.6	14.5
Other Professional Services	25.3	-38.3	29.2	17.7	16.9	11.0	18.3	17.8	18.0
Prescription Drugs	-----	-42.2	24.1	21.2	26.3	8.7	21.8	14.4	14.4
Nursing Home Care	34.2	-32.2	13.1	10.8	19.6	12.0	11.4	7.1	14.6
Home Health Care	19.8	-33.4	14.5	10.8	18.8	12.0	11.4	8.2	13.0
Other Services	19.4	-39.4	20.5	10.8	2.8	12.0	11.4	11.0	11.8
Administration and Net Cost of Insurance	13.3	-44.1	13.4	38.6	8.9	10.2	13.3	-----	11.1
Baltimore Metro									
Total Health Expenditures	26.5%	-81.2%	10.6%	10.1%	13.9%	11.0%	0.9%	9.7%	10.0%
Hospital Services									
Inpatient	24.0	-81.2	4.1	3.5	15.4	12.6	-3.4	9.2	10.1
Outpatient	26.2	-79.2	2.1	22.6	29.5	23.8	14.5	9.1	17.7
Physician Services	29.3	-81.4	15.2	3.7	9.9	7.9	-3.2	4.2	4.3
Other Professional Services	34.3	-81.0	16.0	8.9	13.6	3.9	1.7	13.9	13.4
Prescription Drugs	-----	-82.2	17.4	17.7	22.7	9.9	9.9	10.9	11.2
Nursing Home Care	40.0	-79.1	10.3	7.9	17.4	11.2	0.7	7.6	13.4
Home Health Care	18.0	-79.5	16.0	7.9	17.6	11.2	0.7	4.5	11.9
Other Services	31.3	-81.3	22.3	7.9	0.3	11.2	0.7	13.3	14.0
Administration and Net Cost of Insurance	21.9	-82.8	7.0	34.9	5.1	9.4	2.4	-----	6.2
Western MD									
Total Health Expenditures	15.1%	-75.8%	15.1%	15.4%	14.1%	18.9%	3.4%	13.3%	14.0%
Hospital Services									
Inpatient	8.9	-75.7	9.2	11.9	15.9	21.6	2.2	9.2	11.3
Outpatient	24.8	-73.1	44.8	13.0	28.8	29.3	3.1	10.5	20.1
Physician Services	14.6	-76.0	18.1	15.3	12.1	15.2	5.2	11.8	12.2
Other Professional Services	22.6	-75.5	36.8	7.2	12.9	4.2	-2.1	12.4	15.3
Prescription Drugs	-----	-77.0	17.9	9.2	20.4	18.6	-0.3	16.2	15.3
Nursing Home Care	44.8	-73.0	12.4	13.1	17.9	19.1	3.2	17.2	18.2
Home Health Care	17.1	-73.5	7.9	13.1	19.5	19.1	3.2	9.6	10.2
Other Services	13.3	-75.9	17.1	13.1	7.7	19.1	3.2	10.6	11.3
Administration and Net Cost of Insurance	10.9	-77.7	11.4	41.4	5.4	17.2	4.9	-----	13.3

Note: A "-----" means not applicable.

**Table 23: Rate of Growth in Total Expenditures by Type of Service, Source of Payment, and Region,
2000-2001 – (continued)**

EXPENDITURE COMPONENTS	GOVERNMENT SECTOR					PRIVATE SECTOR			TOTAL EXPENDITURES
	Medicare		Medicaid		Other Government	Private Coverage		Out-of- pocket	
	Original	+Choice	Traditional	HealthChoice		Insurers & Self-Funded	HMO		
Southern MD									
Total Health Expenditures	17.9%	-56.0%	16.5%	18.5%	17.7%	10.5%	31.7%	14.7%	16.0%
Hospital Services									
Inpatient	14.5	-55.8	12.0	3.2	19.7	12.9	16.9	11.3	13.1
Outpatient	15.8	-51.1	50.3	18.4	35.4	11.9	34.0	8.8	19.0
Physician Services	18.1	-56.3	16.7	21.0	15.4	12.9	37.0	19.0	19.2
Other Professional Services	28.5	-55.4	29.9	-0.7	16.2	-14.7	12.4	10.1	11.9
Prescription Drugs	-----	-58.2	21.5	24.5	26.3	7.6	41.0	16.0	15.9
Nursing Home Care	46.1	-51.0	10.1	16.1	20.1	10.8	31.4	14.9	16.8
Home Health Care	17.2	-51.8	16.1	16.1	20.9	10.8	31.4	9.6	14.8
Other Services	29.9	-56.2	16.8	16.1	4.2	10.8	31.4	20.3	20.6
Administration and Net Cost of Insurance	13.6	-59.5	12.7	45.2	8.7	9.0	33.7	-----	15.3
Eastern Shore									
Total Health Expenditures	13.4%	-41.2%	16.2%	17.5%	17.7%	32.6%	-2.8%	15.3%	16.5%
Hospital Services									
Inpatient	10.3	-41.0	16.7	18.8	19.0	27.2	0.1	10.0	13.1
Outpatient	17.4	-34.7	33.9	31.7	31.3	32.3	10.9	10.0	21.4
Physician Services	15.6	-41.7	15.6	0.0	18.0	34.5	-15.8	17.4	16.1
Other Professional Services	21.1	-40.4	34.4	10.7	16.4	22.5	-6.8	17.3	19.6
Prescription Drugs	-----	-44.2	23.3	7.8	24.8	39.3	-9.2	29.2	26.3
Nursing Home Care	18.7	-34.5	8.3	15.1	19.4	32.9	-3.0	-0.6	8.0
Home Health Care	15.2	-35.7	13.5	15.1	19.1	32.9	-3.0	10.2	13.7
Other Services	13.8	-41.5	16.7	15.1	12.6	32.9	-3.0	16.4	16.9
Administration and Net Cost of Insurance	9.3	-46.0	12.4	44.0	8.7	30.8	-1.4	-----	18.3

Note: A "-----" means not applicable.

Table 24: Expenditures as a Percent of Total Expenditures by Type of Service and Region, 2000 and 2001

EXPENDITURE COMPONENTS	NATIONAL CAPITAL		BALTIMORE METRO		WESTERN MD		SOUTHERN MD		EASTERN SHORE	
	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001
Total Health Expenditures	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Hospital Services										
Inpatient	22.9	21.7	26.0	26.1	23.7	23.1	24.6	24.0	25.2	24.5
Outpatient	9.1	9.3	8.9	9.6	10.0	10.6	9.6	9.9	11.9	12.4
Physician Services	27.5	27.9	23.7	22.5	22.5	22.1	24.7	25.4	19.8	19.7
Other Professional Services	9.6	10.1	9.9	10.3	10.0	10.1	9.5	9.1	10.1	10.4
Prescription Drugs	11.5	11.6	11.0	11.1	10.5	10.6	12.1	12.1	9.5	10.3
Nursing Home Care	6.2	6.3	7.1	7.3	10.0	10.3	6.0	6.0	10.4	9.7
Home Health Care	3.1	3.1	3.4	3.4	3.7	3.6	3.2	3.1	3.3	3.2
Other Services	2.0	1.9	2.6	2.7	2.8	2.7	2.3	2.4	3.1	3.2
Administration and Net Cost of Insurance	8.1	8.0	7.4	7.1	7.0	7.0	8.1	8.0	6.6	6.7

Table 25: Expenditures as a Percent of Total Expenditures by Source of Payment and Region, 2000 and 2001

REGION	GOVERNMENT SECTOR					PRIVATE SECTOR			TOTAL EXPENDITURES
	Medicare		Medicaid		Other Government	Private Coverage		Out-of-pocket	
	Original	+Choice	Traditional	HealthChoice		Insurers & Self-Funded	HMO		
National Capital									
2000	16.9%	1.9%	8.3%	3.8%	4.9%	26.6%	20.8%	16.7%	100%
2001	17.6	1.0	8.7	3.8	5.1	26.3	20.6	16.8	100
Baltimore Metro									
2000	20.2%	3.0%	12.4%	6.6%	5.9%	24.0%	12.2%	15.6%	100%
2001	23.2	0.5	12.5	6.6	6.1	24.2	11.2	15.6	100
Western MD									
2000	23.1%	0.2%	13.9%	5.1%	6.8%	22.7%	12.4%	15.8%	100%
2001	23.3	0.0	14.0	5.2	6.8	23.6	11.2	15.7	100
Southern MD									
2000	17.8%	0.7%	9.7%	4.6%	5.3%	33.7%	12.3%	15.9%	100%
2001	18.1	0.2	9.8	4.7	5.4	32.1	14.0	15.7	100
Eastern Shore									
2000	26.6%	0.1%	13.7%	5.9%	6.5%	19.9%	11.5%	15.9%	100%
2001	25.9	0.0	13.6	5.9	6.6	22.7	9.6	15.7	100

Table 26: Per Capita Medicare, Medicaid, and Total Expenditures by Type of Service and Region, 2000 and 2001

EXPENDITURE COMPONENTS	NATIONAL CAPITAL			BALTIMORE METRO			WESTERN MD			SOUTHERN MD			EASTERN SHORE		
	Medicare	Medicaid	All Payers	Medicare	Medicaid	All Payers	Medicare	Medicaid	All Payers	Medicare	Medicaid	All Payers	Medicare	Medicaid	All Payers
2000															
Total Health Expenditures	\$7,006	\$5,509	\$3,181	\$8,531	\$6,809	\$3,890	\$6,388	\$7,239	\$3,226	\$7,263	\$5,905	\$3,096	\$6,831	\$6,324	\$3,463
Hospital Services															
Inpatient	2,843	1,276	729	3,815	1,685	1,013	2,770	1,129	763	3,177	1,085	761	2,950	1,230	873
Outpatient	817	284	289	1,087	537	347	819	419	323	912	420	297	1,013	534	412
Physician Services	1,956	812	874	1,951	1,029	922	1,529	856	725	1,799	865	764	1,511	600	684
Other Professional Services	204	430	307	239	685	387	207	659	322	186	639	294	194	677	350
Prescription Drugs	25	530	365	40	661	427	2	748	337	9	604	374	1	619	328
Nursing Home Care	405	1,311	198	454	1,271	276	384	2,267	321	341	1,304	186	453	1,817	362
Home Health Care	160	592	99	196	594	131	139	835	119	183	687	98	139	542	115
Other Services	267	44	62	343	52	100	263	43	89	338	50	71	279	47	109
Administration and Net Cost of Insurance	330	229	259	408	296	286	275	281	226	318	248	250	291	257	230
2001															
Total Health Expenditures	\$7,627	\$5,820	\$3,532	\$8,722	\$7,115	\$4,252	\$7,163	\$7,923	\$3,612	\$8,431	\$6,381	\$3,489	\$7,429	\$6,799	\$3,972
Hospital Services															
Inpatient	3,030	1,273	768	3,927	1,655	1,108	2,946	1,182	835	3,609	1,094	836	3,120	1,334	972
Outpatient	890	328	328	1,157	574	406	995	475	382	1,042	483	344	1,145	651	493
Physician Services	2,137	838	985	1,895	1,021	956	1,693	940	799	2,068	962	885	1,668	567	782
Other Professional Services	244	499	356	280	744	436	249	834	364	240	738	319	226	821	412
Prescription Drugs	14	596	411	7	735	472	1	823	382	4	682	421	0	681	408
Nursing Home Care	512	1,351	223	536	1,327	312	539	2,421	373	491	1,326	211	502	1,815	384
Home Health Care	182	618	110	195	650	146	159	857	129	214	737	110	155	568	128
Other Services	286	48	68	366	58	113	286	48	98	415	54	84	293	51	125
Administration and Net Cost of Insurance	332	269	283	360	351	302	295	343	252	348	306	280	319	312	268

Note: Medicare includes out-of-pocket payments and payments by Medicare Supplement plans.

Table 27: Rate of Growth in Medicare, Medicaid, and Total Per Capita Expenditures by Type of Service and Region, 2000-2001

EXPENDITURE COMPONENTS	NATIONAL CAPITAL			BALTIMORE METRO			WESTERN MD			SOUTHERN MD			EASTERN SHORE		
	Medicare	Medicaid	All Payers	Medicare	Medicaid	All Payers	Medicare	Medicaid	All Payers	Medicare	Medicaid	All Payers	Medicare	Medicaid	All Payers
Total Health Expenditures	8.9%	5.6%	11.0%	2.2%	4.5%	9.3%	12.1%	9.5%	12.0%	16.1%	8.1%	12.7%	8.7%	7.5%	14.7%
Hospital Services															
Inpatient	6.6	-0.2	5.3	2.9	-1.7	9.4	6.3	4.7	9.3	13.6	0.8	9.8	5.8	8.5	11.3
Outpatient	9.0	15.3	13.4	6.5	6.9	17.0	21.5	13.5	18.0	14.3	15.0	15.6	13.1	21.8	19.5
Physician Services	9.2	3.2	12.7	-2.9	-0.8	3.7	10.8	9.8	10.2	14.9	11.2	15.8	10.4	-5.5	14.3
Other Professional Services	19.7	16.0	16.1	17.1	8.7	12.8	19.9	26.5	13.3	29.0	15.4	8.7	16.4	21.3	17.7
Prescription Drugs	-43.0	12.3	12.6	-83.8	11.2	10.5	-77.0	10.0	13.3	-56.6	13.0	12.6	-45.2	9.9	24.4
Nursing Home Care	26.4	3.1	12.7	18.1	4.3	12.7	40.5	6.8	16.1	43.8	1.6	13.5	10.8	-0.1	6.3
Home Health Care	13.5	4.3	11.2	-0.3	9.5	11.2	14.5	2.6	8.2	16.7	7.2	11.5	10.9	4.7	11.9
Other Services	7.4	8.3	10.1	6.9	12.7	13.4	8.9	10.4	9.3	22.9	7.7	17.1	5.2	7.4	15.1
Administration and Net Cost of Insurance	0.7	17.7	9.3	-11.8	18.6	5.6	7.6	22.2	11.3	9.5	23.0	12.0	9.7	21.4	16.5



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